

# DAILY REPORT

**China**

**Vol 1 No 143**

**27 July 1981**

## PRC INTERNATIONAL AFFAIRS

### UNITED STATES

Reagan, Muldoon Meet, Discuss PRC, Other Topics	B 1
Rostow Comments on Arms Control, U.S.-USSR Ties	B 1
USSR Purchases First U.S. Maize Since Embargo	B 2

### SOVIET UNION

Ustinov Criticism of Reagan Administration Cited	C 1
--	-----

### NORTHEAST ASIA

Long-Term Trade Summary Signed With Japan	D 1
Envoy to Japan Stresses Stable Growth of Trade [KYODO]	D 1

### SOUTHEAST ASIA & PACIFIC

RENMIN RIBAO on SRV, USSR 'Inner Weakness' [24 Jul]	E 1
---	-----

### WESTERN EUROPE

PLA's Yang Dezhi Returns From European Visit	G 1
Zeng Tao Accompanies Veil on Shandong Tour	G 1
Kang Keqing Meets Franco-Chinese Amity Official	G 1
Further on Peng Chong-Led Delegation Visit to Spain	G 2
23 Jul Banquet Speeches	G 2
Talks With Spanish CP	G 3
CCP Greet Spanish Communist Party Congress	G 3

### MIDDLE EAST & AFRICA

Party, Government Delegation Returns From Iraq	I 1
Further on Visit by Somali Party Delegation	I 1
Li Xiannian Hosts Banquet	I 1
Delegation Lays Wreath	I 2
Chen Guodong Fetes Delegation	I 2

## PRC NATIONAL AFFAIRS

Peng Zhen, Peng Chong Address Public Security Forum	K 1
Ministries Send Aid to Flood-Stricken Sichuan	K 3
More Aid Forthcoming	K 3
Gezhouba Ship Lock Reopens After Chang Jiang Flood	K 4
JIEFANGJUN BAO Praises PRC Nuclear Test Workers [27 Jul]	K 4
Noted Artists Mark Upcoming 1 August Army Day	K 4
Placement Efforts for Retired Servicemen Increase	K 5
JIEFANGJUN BAO Reviews 1934 Red Army Campaign [26 Jul]	K 5
Vice Premier Wan Li Urges Boost in Tourist Trade	K 6
Yizheng Chemical Fiber Works To Be Continued	K 6
XINHUA Article on Meeting Rural Market Demand	K 7

Commerce Ministry on Management System Reform	K 8
Large Desalinators Operating on Xisha Islands	K 8
Yang Jingren Meets With Newly Consecrated Bishops	K 9
Beijing Memorial Service for Comrade Bie Zuhou	K 9
Differentiate Mao From Mao Zedong Thought	K 10
[RENMIN RIBAO 24 Jul]	
Sun Yefang Speaks on Mao Zedong, 'Resolution'	K 12
[GUANGMING RIBAO 18 Jul]	
CYL Leaders Call for Studying 'Resolution'	K 13
[ZHONGGUO QINGNIAN BAO 11 Jul]	
Han Ying Speech	K 13
Deng Liqun Lecture	K 14
Shanghai Paper Carries Speech on Chen Yun Works	K 15
[SHIJIE JINGJI DAobao 15 Jun]	
LIAOWANG Cites Chen Yun on Economic Work [20 Jun]	K 21
Economy, Crime Compared With Foreign Countries	K 27
[SHIJIE JINGJI DAobao 29 Jun]	
Mao Report to Seventh CCP Congress Published	K 28
Briefs: Historical Atlas; Flood Insurance	K 28

## PRC REGIONAL AFFAIRS

## EAST REGION

Anhui Meeting Studies Plenary Session Guidelines	O 1
Nanjing PLA Units Study CCP Plenum Resolution	O 2
Jinan PLA Units Study Plenary Session Documents	O 3
Briefs: Shanghai Investment Trust Corporation	O 3

## CENTRAL-SOUTH REGION

Guangzhou PLA Committee Meeting Studies Resolution	P 1
Heavy Rains Cause Flooding in Guangdong Province	P 2
Precautions Against Floods in Henan Province Urged	P 2
Hubei Messages Praise Victory of Antiflood Effort	P 3

## SOUTHWEST REGION

Further Reportage on Sichuan's Recovery From Flood	Q 1
Tan Qilong's Inspection	Q 1
Circular on Victory Rally	Q 1
Work Groups' Assistance	Q 2
Circular on Public Health	Q 3
Damage Statistics	Q 3

## NORTHEAST REGION

Jilin First Secretary Reviews Plenum, Resolution	S 1
LIAONING RIBAO on Reemployment of Retired Workers	S 2
[8 Jul]	
Shenyang PLA Units Improve Military Training	S 3

## NORTHWEST REGION

Gansu CCP Committee Sponsors Meeting on Plenum	T 1
Qinghai's Liang Buting Addresses Party Meeting	T 1
Briefs: Qinghai Consumer Goods;	T 3
Xinjiang Party Member Recruitment	

## TAIWAN

Radio Comments on Ambassador-Designate Hummel's Remarks	V 1
PRC Arms Sales	V 1
Taipei-Peiping 'Problems'	V 1
Briefs: Ambassador to Guatemala;	V 2
Population Figures	

## HONG KONG MEDIA ON CHINA

PLA Commander's Review of National Events Continues	W 1
Mao's Three Sons [CHENG MING JIH PAO 22 Jul]	W 1
Criticism of Bai Hua [CHENG MING JIH PAO 23 Jul]	W 3
Unemployment, Peasants [CHENG MING JIH PAO 24 Jul]	W 4
Zhao Ziyang on Fixing Farm Output Quotas	W 6
[CHENG MING JIH PAO 26 Jul]	

REAGAN, MULDOON MEET, DISCUSS PRC, OTHER TOPICS

OW250856 Beijing XINHUA in English 0723 GMT 25 Jul 81

[Text] Washington, 24 Jul (XINHUA)--New Zealand Prime Minister Robert Muldoon made a brief visit here today and had a get-acquainted meeting with President Reagan at the White House. They discussed the world situation and trade relations between the two countries. A senior administrative official at the White House told the press after the meeting that President Reagan expressed thanks to New Zealand for "its strong support to the policy of resistance to Soviet expansion, particularly in the Pacific region, an area of great strategic importance both to New Zealand and to the United States." Prime Minister Muldoon indicated that while New Zealand was a small country it saw these matters in a manner consistent with the views of the United States and was pleased to be of assistance.

Reagan who had just returned from the Ottawa meeting briefed Muldoon on the main subject of discussion there. Muldoon expressed New Zealand's concern over the question of high interest rates.

The Middle East question was touched during the discussion. Reagan informed Muldoon of the cease-fire situation between Israel and the Palestinians and the U.S. hopes for it. Muldoon indicated New Zealand's growing interests in trade in peace with the Middle East particularly in lamb exports.

Discussion of bilateral relations were centered on the question of trade. Muldoon indicated his hope that the United States increase its consumption of lamb products. He noted that the average American consumes only one and half pounds of lamb a year while consuming 100 pounds of beef and 70 pounds of pork a year.

There was a brief discussion of their respective policies toward China, according to the senior U.S. administrative official. New Zealand Foreign Minister Norrish [name as received] and U.S. Secretary of State Haig and national security adviser Richard Allen took part in the meeting.

ROSTOW COMMENTS ON ARMS CONTROL, U.S.-USSR TIES

OW251316 Beijing XINHUA in English 1200 GMT 25 Jul 81

[Text] Washington, 24 Jul (XINHUA)--"Arms control agreements are an integral and potentially a useful part of U.S. foreign and defense policy, but not a substitute for it, and by no means the political centerpiece or the crucial barometer of Soviet-American relations," declared the new director of the U.S. Arms Control and Disarmament Agency here today. Eugene Rostow, appearing before the Senate Armed Services Committee today, made this remark in his opening statement in the first of a series of meetings and consultations with the senators on policy matters concerning arms control.

The new director of the U.S. Arms Control and Disarmament Agency at the outset disagreed with the views held by many that a U.S. agreement with the Soviet Union about strategic nuclear arms would diminish the risk of war, especially nuclear war, and that it is better to have even a bad agreement than no agreement at all.

Rostow said, "Arms control agreements cannot and do not guarantee the peace. The Versailles Treaty and the naval arms limitation agreements of the twenties and thirties did not prevent the Second World War. Nor did the SALT One agreements or the process of negotiating SALT Two keep the Soviet Union from radical'y enlarging its sphere of influence through the systematic use of war as an instrument of national policy."

"With Soviet campaigns of expansion actively underway in Asia, the Middle East, Africa, and the Caribbean; with Europe, Japan, China, and the United States itself under threat, we have reluctantly become conscious of the strategic goals and the aggressive nature of Soviet foreign policy, and the menacing weight of the military build-up on which it rests," he said.



"The goals of our nuclear forces are deterrence and stability," he said. "Our purpose is to maintain a credible second strike capability, so that the United States, its allies, and its vital interests are protected at all times against nuclear attack or the threat of nuclear attack." "This is and must remain the minimal goal of our nuclear arsenal and our minimal goal in nuclear arms control negotiations," he said.

He said the mission of the Soviets' nuclear forces "is intimidation and coercion--and, if necessary, victory in nuclear war. "The Soviet Union has been building one nuclear weapon system after another in an obvious effort not only to equal but to surpass the United States and thus to paralyze the United States' nuclear arsenal. Achieving such a position, they believe, and say, would permit them to expand their domain almost at will, using covert methods of subversion or conventional forces under the protective cover of what they consider to be superiority in nuclear arms.

"During the SALT period, the Soviet Union made great progress towards this end," he pointed out. The most threatening features of this build-up, he said, have been the massive increase in hard-target, kill-capable ICBM reentry-vehicles; the growth in the destructive potential of Soviet strategic forces as a whole; the deployment of mobile, highly-accurate, and mired long-range theater nuclear forces; and the continued development of their already extensive strategic air defenses.

He said large-scale Soviet SS-20 deployments threaten Europe and the Far East and, if unanswered, would increase the hazards to NATO of resistance to Soviet aggression. The Soviets now leads the United States in important measures of strategic strength--leads which translate into coercive power through perceptions of U.S. weakness. [sentence as received]

The United States failed to respond adequately to the Soviet build-up "partly because we placed excessive faith in arms control as a solution for our strategic problems," he said. Speaking of the broader effects of this Soviet build-up, and of the delayed U.S. response to it, Rostow said there is great fear abroad of nuclear war, of American inadequacies and ultimately of abandonment by the United States. "That fear cannot be diminished if the Soviets run while we continue to walk," he said. Another effect is that the Soviets may feel emboldened to undertake conventional aggression, like their invasion of Afghanistan, secure in the belief that their strategic forces can checkmate those of the United States.

#### USSR PURCHASES FIRST U.S. MAIZE SINCE EMBARGO

OW251556 Beijing XINHUA in English 1517 GMT 25 Jul 81

[Text] Washington, 24 Jul (XINHUA)--The U.S. Agriculture Department today announced the Soviet Union has purchased 450,000 tons of maize, the first large purchase of U.S. grain since the Reagan administration lifted the grain embargo three months ago.

New grain talks between the two countries began immediately after the lifting of the embargo enforced by former President Jimmy Carter to protest the Soviet invasion of Afghanistan in December 1979. During the talks, the Soviet Union asked the United States to compensate for the loss it suffered during the embargo and demanded that the United States promise not to take such measures against the Soviet Union in the future. The United States rejected the demand.

The first five-year grain agreement between the two countries will expire September 30 this year. The United States has offered to discuss a new long-term grain contract with the Soviet Union in August in Vienna, but the Soviet Union has not officially accepted the proposal.

According to estimates from the U.S. Agriculture Department, Soviet grain output this year will only total 200 million tons, 36 million tons less than the Soviet target because of the hot and dry weather.

USTINOV CRITICISM OF REAGAN ADMINISTRATION CITED

OW252114 Beijing XINHUA in English 1833 GMT 25 Jul 81

[Text] Moscow, 25 Jul (XINHUA)--Soviet Defense Minister Dmitriy Ustinov issued an article in today's PRAVDA fiercely attacking the United States and peddling once again outworn Soviet "peace proposals." The lengthy article was written at a time when the recent Soviet "peace initiatives" have been cold-shouldered by the West and the NATO countries have been taking measures to curb Soviet expansion.

The author blamed the Reagan administration for "attempting to undermine all positive achievements scored in the Soviet-U.S. relations in the 1970s and upset the rough balance between the Soviet Union and the U.S. in the strategy field." It castigated the U.S. for "taking a naked anti-Soviet stand" and "openly announcing the Soviet Union as the major enemy of the United States."

Ustinov said that the primary goal of the U.S. Administration in recent years is to achieve a military superiority over the Soviet Union and undermine the Soviet economy by the arms race. Annoyed by the U.S. charges that the Soviet Union is doing its utmost to occupy other countries' territories and its military spending is beyond its defense needs, the Soviet defense minister said in a threatening tone that the U.S. attempt to obtain a superiority over the Soviet Union will only land itself in a more dangerous position. He claimed once again that the Soviet Union is fully capable of smashing the reactionaries' plots in this respect.

Ustinov tried to drive a wedge between the United States and West European countries. He said that instead of "showing concern about security in Europe," the U.S. deployment of medium-range missiles in Western Europe is aimed at making a preemptive strike against the western part of the Soviet Union where intercontinental ballistic missiles and other major Soviet installations are located. Therefore, he alleged, the security of West Europe will be weakened rather than be strengthened and that West European countries will be further subordinated to the U.S. nuclear strategy.

Ustinov reiterated those Soviet "proposals" designed to consolidate the Soviet military superiority, including the suggestion for a moratorium on the deployment of new medium-range nuclear missiles in Europe. He claimed that of the Soviet proposals, "not a single one is pursuing unilateral advantages." He even said that if the United States and West European countries reject the proposals: "they will bear the responsibility for their own peoples and mankind."

LONG-TERM TRADE SUMMARY SIGNED WITH JAPAN

OW241616 Beijing XINHUA in English 1600 GMT 24 Jul 81

[Text] Tokyo, 24 Jul (XINHUA)--At the conclusion of the third annual meeting on China-Japan long-term trade, leaders from both countries agreed to promote economic cooperation, particularly in the areas of natural resources and energy. This agreement was included in a summary signed here today and is in accordance with the Japan-China long-term trade agreement signed three years ago.

According to the summary, the two sides reached agreement on the revised quotas of crude oil China will supply Japan in 1981 and 1982 as provided in the Japan-China long-term trade agreement. The quotas of Chinese crude oil and coal to Japan between 1983 and 1985 will be discussed later.

Signing the summary were Liu Xiwen, chairman of the Chinese committee for Japan-China long-term trade, and Toshio Doko, chairman of the Japanese committee for Japan-China long-term trade. Liu Xiwen arrived here yesterday by invitation from Japan's external trade organization. Besides attending the annual trade meeting, he also will meet Japanese officials and businessmen to discuss future trading between the two countries.

ENVOY TO JAPAN STRESSES STABLE GROWTH OF TRADE

OW240819 Tokyo KYODO in English 0744 GMT 24 Jul 81

[Text] Tokyo, 24 Jul KYODO--Cancellation of Japanese plant export and construction contracts resulting from China's economic readjustment policy will have little effect on the overall growth of China-Japan trade, Chinese Ambassador Fu Hao said here Friday. Speaking at a luncheon at the Japan National Press Club, Fu said he was confident that trade between the two countries would pass the \$10 billion mark this year, following a record \$9.4 billion in 1980.

He pointed out that trade between China and Japan had grown rapidly since diplomatic relations between them were restored in 1972, when bilateral trade was only around \$100 million. Fu said he believed a high level of trade growth would continue despite the cancellation of contracts with Japanese companies scheduled to supply Chinese steel and petrochemical development projects deferred under the current economic policy. He stressed that canceling the contracts was a temporary measure and said China intends to honor its obligations in a way satisfactory to both sides based on mutual discussions. "I feel in this sense that the problem has already been basically resolved," Fu said.

He said looking at future relations, there was great scope for further cooperation between China, with its huge labor force and natural resources, and Japan, for which the 1980s would be a new period of overseas investment and scientific and technological development. Such cooperation would benefit not only Japan and China, but the peace and stability of the whole Asian region, Fu said. He said joint development projects, such as the Bohai Bay offshore oil development, also had a strategic aspect and were important for the long-range stability of both countries.

Commenting on the recent sixth plenum of the Chinese Communist Party Central Committee, Fu said its resolutions and leadership changes confirmed party solidarity and guaranteed the stable development of China from now on.

Asked if China would welcome a Japanese military buildup, the ambassador said it was logical for each country to have the strength to defend itself. However, the question of how much that strength should be was up to Japan to decide, Fu said.

Asked about a report in the Washington POST Thursday that China is supplying enriched uranium to South Africa, Fu said the story was "a total fabrication" and that China has no relations of any kind with South Africa. He said similar stories had often come from Moscow in the past, but this was the first time such a story had emerged in Washington.

Fu said he valued the declaration of the industrial nations' summit conference in Ottawa this week as indicating that the seven member nations had identified the source of world instability, an indirect reference to the growing military strength of the Soviet Union.



RENMIN RIBAO ON SRV, USSR 'INNER WEAKNESS'

HK250354 Beijing RENMIN RIBAO in Chinese 24 Jul 81 p 6

[Commentator's article: "Vietnamese-Soviet Attack on International Conference Reveals Inner Weakness"]

[Text] The positive results of the international conference on Kampuchea reflect the ardent desire and determination of the international community to implement the related UN resolutions on Kampuchea. However, the attitude of Vietnam and its Soviet master was abominable, and they showed no signs of repentance. Furthermore, they continued their wanton abuse on the international conference. Hanoi and Moscow published statements and articles one after the other attacking the international conference on Kampuchea. This is but an attempt to defend Vietnamese aggression in Kampuchea, which reveals their inner weakness and fears.

Vietnam and the Soviet Union unscrupulously charge that the international conference is "illegal," "a minority conference" and "a violation of the UN Charter." They shut their eyes to facts and talk nonsense. The preamble to the declaration on Kampuchea adopted by the conference pointed out that the conference was convened "pursuant to Articles 1 and 2 of the Charter of the United Nations and to General Assembly Resolution 35/6. As everyone knows, this particular resolution was adopted favorably by an overwhelming majority of 97 to 23. The international conference on Kampuchea was sponsored by the UN secretary general and was attended by the representatives of 91 countries. There are absolutely no grounds whatsoever to justify their allegation that it was "illegal," a "minority conference," "in violation of the UN Charter." These attacks by Vietnam and the Soviet Union only serve to show that despite their membership in the United Nations, Vietnam and the Soviet Union have no respect for the UN Charter and its resolutions. They never adhere to international laws and norms governing relations between states, which are scrupulously observed by most of the other countries in the world. What they really believe in is the jungle "law" of hegemony--"might makes right"--and they want to convince other countries to accept this "law." This is the essence of all their abuse.

Vietnam and the Soviet Union attacked the international conference on Kampuchea as "interference in the internal affairs of Kampuchea." This is nothing new. For a considerable period of time, whenever people mentioned the Kampuchean problem, Vietnam and the Soviet Union would accuse them of "interfering" in Kampuchean internal affairs. In their eyes, the occupation of independent Kampuchea by 200,000 Vietnamese troops, the installation of the Heng Samrin puppet regime in Phnom Penh, are not interference in the internal affairs of Kampuchea. However, the demand by the international conference for the withdrawal of all Vietnamese troops, the restoration of the Kampuchean right of self-determination and for international guarantees against meddling in domestic affairs of Kampuchea are interference in the internal affairs of Kampuchea. It is really hegemonists' logic. They can extend the scope of "internal affairs" from Vietnam and the Soviet Union to Kampuchea, Afghanistan, places where their troops can reach and places within their sphere of influence. In essence, their attack on the "interference" of the international conference in Kampuchean internal affairs is to impose their logic on other countries in the world. However, I am afraid no country in this world is willing to accept their gangster logic, not even countries within their "big family."

Evidently, the attack of Vietnam and the Soviet Union on the international conference on Kampuchea shows that we should not be softhearted toward them. To carry out the resolution adopted by the UN General Assembly and preserve the achievements of the international conference, it is necessary to continue to exert pressure on the Soviets and Vietnamese. Only through hard and unremitting struggle can there be hopes for a just solution of the Kampuchean problem.



PLA'S YANG DEZHI RETURNS FROM EUROPEAN VISIT

OW231860 Beijing XINHUA in English 1619 GMT 23 Jul 81

[Text] Beijing, 23 Jul (XINHUA)--Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, and his party returned here this evening after their visits to Belgium, France and Britain and a stop over in Switzerland. Meeting them at the airport were: Xiao Ke, vice-minister of national defense; Yang Yong, deputy chief of the PLA General Staff; Yang Guoyu, deputy-commander of the PLA Navy, and Cao Lihuai, deputy-commander of the PLA Air Force. Also present at the airport were diplomatic envoys to China of Belgium, France, Britain and Switzerland as well as military attaches of the French and British embassies here.

ZENG TAO ACCOMPANIES VEIL ON SHANGDONG TOUR

OW251726 Beijing XINHUA in English 1603 GMT 25 Jul 81

[Text] Qingdao, 25 Jul (XINHUA)--Simone Veil, president of the European Parliament, toured July 22 to 25 the Chinese coastal cities of Yantai and Qingdao where she visited factories, a commune and a workers' sanatorium. Mme Veil said she was concerned about the development of trade relations between the European Economic Community and China and made suggestions for producing Chinese products for Europe.

While visiting Qingdao carpet weaving mill, she said apart from carpets with traditional designs and colors, carpets with favorite designs and colors for Europeans be added. On a visit to Yantai winery, established in 1892, she suggested a dry grape wine for Europeans in addition to its sweet grape wine. She was accompanied on the visits by Zeng Tao, deputy-secretary general of the Standing Committee of the National People's Congress, and his wife Zhu Liqing.

Mme Veil arrived in Yantai from Xian July 22 and started to see Qingdao July 24. The Shandong Provincial People's Congress Standing Committee and the Qingdao City People's Congress Standing Committee gave banquets in her honor. She will leave for Hangzhou tomorrow.

KANG KEQING MEETS FRANCO-CHINESE AMITY OFFICIAL

OW251322 Beijing XINHUA in English 1218 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--The vice-chairman of the National Committee of the Chinese People's Consultative Conference, Kang Keqing, met in the Great Hall of the People today with Mme Helene Marchisio, vice-president of the Franco-Chinese Friendship Association. Kang Keqing, who is also vice-president of the All-China Women's Federation, thanked Mme Marchisio for her enthusiastic work on behalf of Franco-Chinese friendship.

Mme Marchisio, who had paid several visits to China and has long been involved in the Franco-Chinese friendship movement, arrived in China on June 25 and has been to Yantai, in Shandong Province, and Guanghan County, Sichuan Province, to compare past impressions with the present situation there. She took particular note of the success of the system of individual responsibility in farm production.

Also at the meeting were Xie Bangding, vice-president of the Chinese People's Association for Friendship With Foreign Countries, and Guo Liwen, a member of the Secretariat of the All-China Women's Federation. Mme Marchisio had a meeting earlier today with Wang Bingnan, the president of the Chinese People's Association for Friendship With Foreign Countries.

FURTHER ON PENG CHONG-LED DELEGATION VISIT TO SPAIN

## 23 Jul Banquet Speeches

OW241237 Beijing XINHUA Domestic Service in Chinese 1602 GMT 23 Jul 81

[Text] Madrid, 22 Jul (XINHUA)—General Secretary of the Communist Party of Spain [PCE] Santiago Carrillo hosted a banquet here this evening in honor of the delegation of the Chinese Communist Party headed by Peng Chong, member of the Political Bureau and secretary of the Secretariat of the CCP Central Committee. Speaking first, Carrillo said: "We are very pleased to be able to meet you here in Madrid, the capital of Spain."

Recalling the visit of the PCE delegation headed by him to China last year, he said: "During that visit, we really saw the work by the people of your country to realize the modernization of your great country and to develop its tremendous material, cultural and moral resources. He added that his talks with the CCP leaders during that visit "opened a new chapter in the relations between our two parties."

He said the relations between the two parties were characterized by "no concealment of differences, cordial and frank discussions, and respect for each other's independence with a view to reach understanding and cooperation between the two parties."

On the international situation, he said: "Today the Spanish Communist Party is deeply concerned at the aggravated world tension, the mounting danger of war and the quickened pace of the arms race." He said: "Under these circumstances, the PCE attaches great importance to developing cooperative relations among all forces of workers, Communist parties and revolution on the basis of respecting the independence of every party, movement and country."

He concluded: "We believe that your visit will enhance the relations between the Spanish and the Chinese peoples. Although we are far apart geographically, there are more deep-lying factors bringing us closer to each other. The Spanish Communist Party supports the rightful position of the People's Republic of China among all countries in the world. We believe there is a wide range of cooperation between China and Spain in the economic, cultural and political fields."

Peng Chong then took the floor. He said: "In the past 60 years or more, the Spanish Communist Party has gone through various struggles. Under all circumstances it has conducted an unyielding struggle for the defense of national independence and for democracy, freedom and socialism. Since the Spanish Communist Party gained its legitimate status in 1977, it has successfully defended the rights of the Spanish working class and working people and national sovereignty and world peace. The Chinese Communist Party and the Chinese people greatly acclaim and admire the Spanish Communist Party members' revolutionary spirit of defying brute force and persisting in struggle, their scientific attitude of constantly summing up experience and their courage to probe.

On the international situation, Peng Chong said: "Because of the hegemonists' aggression and expansion everywhere since the beginning of the 1980's, the international situation has become more tumultuous and tense, and world peace has been seriously threatened. The CCP and the Chinese people will, as always, resolutely support the people of the world in their struggle against imperialism, colonialism and hegemonism. They will strive together with other peace-loving peoples to put off and prevent the outbreak of war and defend world peace."

Peng Chong said: "There is a traditional friendship between the CCP and the PCE and between the peoples of the two countries. The visit to China by the PCE delegation headed by Comrade Carrillo last November wrote a new page in the history of the relations between the CCP and the PCE." He expressed the confidence that the CCP delegation's visit to Spain will further develop and strengthen the relations between the CCP and the PCE on the basis of complete equality, independence and mutual respect and support.

The banquet proceeded in a warm, friendly and comradely atmosphere from beginning to end. The 18 members of the Executive Committee of the PCE Central Committee, who were in Madrid, attended this evening's banquet. Zhang Shijie, Chinese ambassador to Spain, was also invited to attend the banquet.

#### Talks With Spanish CP

OW241230 Beijing XINHUA in English 1214 GMT 24 Jul 81

[Text] Madrid, 23 Jul (XINHUA)--Simon Sanchez Montero, member of the Executive Committee and the Secretariat of the Spanish Communist Party Central Committee, held first round of talks today with the Chinese Communist Party delegation headed by Peng Chong, member of the Political Bureau and the Secretariat of the Central Committee.

At the beginning of the talks, Sanchez expressed his warm welcome to the visiting delegation which has come to participate in the forthcoming Tenth Congress of the Spanish Communist Party. He believed that the current visit by the Chinese Communist Party delegation would deepen the understanding and friendship between the two parties and two peoples.

Peng Chong conveyed regards from Hu Yaobang and Deng Xiaoping to Dolores Ibarruri, Santiago Carrillo and other leading comrades of the Spanish Communist Party. Peng Chong hoped that the friendly relations between the two parties would develop steadily. Peng Chong also briefed Sanchez on the recent Sixth Plenary Session of the Eleventh Central Committee of the Chinese Communist Party. Sanchez informed Peng Chong of the current situation in Spain and the preparations for the forthcoming Tenth Congress of the Spanish Communist Party. The talks proceeded in a most cordial, friendly and comradely atmosphere.

#### CCP GREETSPANISH COMMUNIST PARTY CONGRESS

OW270342 Beijing XINHUA in English 0253 GMT 27 Jul 81

[Text] Beijing, 27 Jul (XINHUA)--The Central Committee of the Chinese Communist Party warmly greets the convocation of the Tenth Congress of the Spanish Communist Party in a telegram sent yesterday to the Central Committee of the Spanish Communist Party. The telegram reads:

The Central Committee of the Chinese Communist Party, on behalf of the Chinese Communist Party and the Chinese people, warmly greets the convocation of the Tenth Congress of the Spanish Communist Party and, through the congress, expresses high respect to the Spanish Communist Party, Spanish working class and the labouring people.

The Communist Party of Spain has a long, glorious history of struggle. During the past 60 years, it has led the working class and the people of Spain to wage an unremitting struggle against the fascist dictatorship, for the defense of national independence, and for democracy and socialism. It has made great achievements. After traversing a difficult and tortuous path, the Communist Party of Spain has grown into a widely influential party among the masses and is playing an active role in the political life of Spain, and in the cause of defending world peace and striving for the progress of mankind. The Communist Party of China heartily rejoices at your achievements.

There exists a traditional friendship between the Chinese Communist Party and the Communist Party of Spain. With the visit to China in November of 1980 by the delegation of the Central Committee of the PCE headed by General Secretary Santiago Carrillo, the relations between the two parties have made new progress. We believe that on the basis of complete equality, independence, mutual respect and mutual trust, the relations of friendship and cooperation between two parties of China and Spain will certainly further develop.

May your tenth party congress make a complete success and your party be steadily consolidated and developed and achieve fresh victories in the struggle in the days to come.



PARTY, GOVERNMENT DELEGATION RETURNS FROM IRAQ

OW251559 Beijing XINHUA in English 1508 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--A Chinese party and government delegation returned here today after attending celebrations marking the 13th anniversary of Iraq's July Revolution. The delegation was led by Lin Hujia, member of the Central Committee of the Communist Party of China and minister of agriculture. Greeting the delegation at the airport were Zhang Canming, vice minister of foreign affairs, Zhu Liang, deputy head of the International Liaison Department of the CCP Central Committee, Zhu Rong, vice-minister of agriculture, and Badri Karim Kazim, Iraqi ambassador to China.

FURTHER ON VISIT BY SOMALI PARTY DELEGATION

## Li Xiannian Hosts Banquet

OW241548 Beijing XINHUA in English 1501 GMT 24 Jul 81

[Text] Beijing, 24 Jul (XINHUA)--Vice-Chairman Li Xiannian today paid tribute to Somalia for its position of improving relations with neighboring countries and of resolving disputes between countries in the Horn of Africa through peaceful negotiations. The vice-chairman of the Chinese Communist Party Central Committee said this in his toast at a banquet he gave for Brigadier Ahmed Sulayman Abdulle, member of the Political Bureau of the Somali Revolutionary Socialist Party [SRSP] and security adviser to the president, Mrs Sulayman and a delegation of the SRSP he is leading.

This position will "help get rid of interference by outside forces and safeguard world peace," Li Xiannian said. He also hailed the Somali party and government for their firm stand against imperialism, colonialism, hegemonism and racism. "Following a policy of non-alignment and opposing interference in African affairs by outside forces, Somalia has made positive contributions to the African people's just cause of uniting to combat imperialism and defend world peace," Li Xiannian said.

He said the Somali people have achieved impressive successes in consolidating national independence, safeguarding national sovereignty and developing national economy and culture under the leadership of President Mohamed Siad Barre. Li Xiannian said friendly exchanges between the Chinese and Somali parties have increased since they established direct contacts in 1978. He said the present visit of Brigadier Sulayman and his delegation will contribute to mutual understanding and friendship between the two sides.

Brigadier Sulayman said in his toast the Somali people have followed the developments in China with keen interest, particularly the role of the Chinese Communist Party as a vanguard of the people in their struggle for liberation and independence. He said that the Chinese Communist Party's immense experience is beneficial to the developing world as a whole. The Somali party opposes imperialism, colonialism and hegemonism and involves itself in the joint struggle for world peace and prosperity, he said. "We note with utmost gratitude your appreciation of our initiative for peace in the Horn of Africa," Sulayman said. Somalia demands that all foreign forces be pulled out of Kampuchea and Afghanistan and that the people there be left to decide their own destiny. He said the people of Palestine should enjoy the right to create their own independent state in their own land, that Israel return the Arab lands it occupied in 1967 and that Namibia should be given its independence immediately.



Sulayman said his talks with Vice-Premier Ji Pengfei this morning were very useful and important for strengthening relations between the two countries and the two parties.

Vice-Chairman Li Xiannian had a cordial meeting with the Somali guests prior to the banquet. Among those present were Ji Pengfei, vice-premier and head of the International Liaison Department of the CCP Central Committee, and Mohamed Ismail Kahin, Somali ambassador to China. The Somali guests later attended a cultural evening specially given in their honor.

#### Delegation Lays Wreath

OW251340 Beijing XINHUA in English 1237 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--A delegation from the Somali Revolutionary Socialist Party, here on an official visit, left Beijing this evening for Shanghai after a full day's program in the Chinese capital. Earlier, the delegation laid a wreath at the monument to the people's heroes in Tiananmen Square.

Accompanied by Li Shuzheng, deputy head of the International Liaison Department of the CCP Central Committee, the delegates observed silence before the monument and later paid respects to the remains of the late Chairman Mao Zedong at the Mao Zedong Memorial Hall.

Later in the day, the leader of the delegation, Ahmed Sulayman Abdulle, a member of the Somali party's Political Bureau, had separate talks with Ling Yun, Chinese vice-minister of public security, and Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries.

#### Chen Guodong Fets Delegation

OW261816 Beijing XINHUA in English 1658 GMT 26 Jul 81

[Text] Shanghai, 26 Jul (XINHUA)--Chen Guodong, first secretary of the Shanghai Municipal Committee of the Chinese Communist Party, tonight met and feted the visiting delegation of the Somali Revolutionary Socialist Party led by Ahmed Sulayman Abdulle, member of its Political Bureau.

Chen Guodong said in his toast that, like all other people in China, the people of Shanghai treasure their friendship with the Somali people and admire the SRSP and the Somali Government and people for their achievements in safeguarding national independence and state sovereignty, and developing the national economy and culture, under the leadership of President Mohamed Siad Barre.

In reply, Sulayman hailed Shanghai, birthplace of the Chinese Communist Party, as a city full of vigor. The Chinese people are leading a noble and equal life under the socialist system, he said.

"We come from a country whose people hold the warmest feeling in their hearts for you," he said. Speaking of President Siad's three visits to China, Sulayman said, the two countries and two parties enjoy very good relations in all fields.

Sulayman and his party visited a people's commune and the Shanghai industrial exhibition center today.

PENG ZHEN, PENG CHONG ADDRESS PUBLIC SECURITY FORUM

OW250042 Beijing XINHUA Domestic Service in Chinese 1227 GMT 24 Jul 81

[Report by XINHUA correspondent]

[Text] Beijing, 24 Jul (XINHUA)--This reporter has learned from the political and judicial commission of the CCP Central Committee: The political and judicial commission called a public security forum in May in the five large cities of Beijing, Tianjin, Shanghai, Guangzhou and Wuhan. A summary of the forum was approved by the CCP Central Committee and transmitted throughout the country. Since then all provinces, municipalities and autonomous regions have successively held meetings to make concrete arrangements for public security work in urban areas. Public security organs in various localities have organized personnel to investigate and solve a number of criminal cases. Their efficiency in solving criminal cases has been higher than in May. Public security personnel solved 85 percent of the major criminal cases that occurred in June in the seven cities of Tianjin, Nanjing, Hangzhou, Zhengzhou, Chongqing, Xian and Nanning. Public security organs, procuratorial organs and people's courts have coordinated closely in meting out heavy and prompt punishment according to the law to a number of criminals who seriously disrupted social order.

Since last month's publication of the NPC Standing Committee's decision on handling escapees and recidivists under reform or reeducation through labor and two related documents, the enthusiasm of the broad masses in helping judicial and public security organs to maintain social order and combat bad persons and deeds has been further inspired. Statistics in the 18 cities of Beijing, Tianjin, Shanghai, Nanjing, Hangzhou, Shenyang, Harbin, Wuhan, Guangzhou, Chengdu, Chongqing, Jinan, Taiyuan, Nanning, Changchun, Xian, Zhengzhou and Guiyang show that members of the public brought more than 5,490 offenders to public security organs and offered information on nearly 10,000 other cases to such organs in June. In awe of the power of the people's democratic dictatorship, many offenders have turned themselves in to local public security organs.

The public security forum in the five large cities was held in Beijing in mid-May. It was attended by responsible persons of the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Public Security, the Ministry of Justice and the Ministry of Civil Affairs; as well as responsible persons of the provincial and municipal party committees, people's governments in charge of judicial and public security work, responsible persons of public security organs, procuratorial organs and people's courts in the five cities of Beijing, Tianjin, Shanghai, Guangzhou and Wuhan; and in Guangdong and Hubei Provinces. Those attending the forum analyzed the situation and discussed the present tasks, policies and measures for consolidating public security, thus unifying their understanding.

Peng Zhen and Peng Chong, both members of the CCP Central Committee Political Bureau, attended the forum and made important speeches.

The forum held that achievements have been made in consolidating public security in urban areas since the 3d Plenary Session of the 11th CCP Central Committee, especially since the national conference on urban public security held in the winter of 1979. However, public security in urban areas has not basically changed for the better and there are still rather serious problems in this regard. Some localities have not done their best to deal heavy, prompt blows to active criminals who have seriously disrupted public order. The masses are quite dissatisfied with the situation. To bring about a radical turn for the better in public security and ensure the smooth development of socialist modernization, it is necessary to mobilize the whole party to work, take effective measures and bring the power of the people's democratic dictatorship into full play in order to greatly decrease crime and build good public order.

After analyzing present criminal activities, the forum pointed out: It is imperative to continue meting out heavy, prompt punishment according to law to murderers, robbers, rapists, bombers, arsonists and other criminals who do serious harm to society, especially to the abettors, prime culprits and recidivists, with the primary emphasis on heavy punishment; heavy punishment that is permitted by the law in meting out punishment, not additional punishment not permitted by the law. Prompt punishment means being prompt not dilatory in prosecution. If we are tolerant or indulgent toward criminals who seriously disrupt social order, it will result in cruelty to law-abiding people. We must therefore correct the phenomenon in which no effective blows are dealt to criminals. To maintain good public order in urban areas, it is essential first of all to suppress bad persons and unhealthy trends so that the bad persons will fear the good people, the masses and the law, and so that the masses will have a sense of security. The judicial and public security departments in charge of public security must first perform their duties effectively.

The forum pointed out: In taking facts as the basis and the law as the criterion, it is most important to thoroughly investigate the facts of a crime and the evidence in accordance with which a criminal is sentenced. When the major evidence of a crime is conclusive, a judgment on the offender can be passed according to the law. It is extremely difficult to thoroughly investigate all the minor details of each offender's crimes and to get all the evidence of his crimes before he is sentenced. Some minor details of an offender's crimes are useless in deciding on a sentence for him.

The forum pointed out: In present public security work, particular attention should be paid to the fact that the overwhelming majority of those disrupting public order are young people, children of workers, peasants and intellectuals who have grown up in the new society. There are many complicated reasons for their crimes, but the main reason is that seriously poisoned by the "gang of four" and their ilk in the 10 years of domestic disorder, they think nothing of such lawless acts as stabbing, beating, smashing and looting. They are disrupters of social order as well as victims of the pernicious influence of the Lin Biao and Jiang Qing counterrevolutionary cliques. In dealing with the overwhelming majority of them, we should not hit hard at them or punish them only, but should enthusiastically, patiently and painstakingly educate and help them to change by persuasion or reform them as parents treating their children suffering from an infectious disease or as doctors treating their patients. In dealing with minor cases and offenders who are very young, we should first do everything possible to assign their families and units to which their families belong (including residential organizations in the neighborhood) with the task of educating them and helping them mend their ways. There are many such juvenile delinquents in this category. In dealing with other public order disrupters who are to be reformed or reeducated through labor or sent to work-study schools or juvenile reformatories, it is necessary to continuously uphold the party's consistent principle of "education and reform first, production second, and to enthusiastically, patiently and painstakingly educate them and help them change by persuasion. Concern should be shown for their food, shelter, health and study, and they should be organized to study politics, culture and techniques and should be made to understand that the government is helping them and that there is a way out and a future for them. More work-study schools should be set up, and they should be run as regular schools. As for young people who behave themselves well in work-study schools, reform-through-labor farms or juvenile reformatories, the concerned department must not neglect or discriminate in arranging schools or jobs for them. This is also a way to turn negative factors into positive ones.

The forum pointed out: In laying down tasks and policies this way, we aim at dealing blows to the minority of criminals, dividing and demoralizing the majority of them, narrowing the target of attack, helping more people through education, protecting the people's democratic rights, upholding the socialist legal system and restoring and carrying forward healthy social practices.



The forum held that the key to bringing about a radical change for the better in social order lies in getting the whole party to work and fully mobilizing and relying on the masses to carry out "comprehensive remedial measures" in this regard. It is necessary, under the unified leadership of party committees, to organize forces of all circles and departments and to carry out tasks in every department and basic unit and on every person. Arrangements must be made for these tasks, and inspection and evaluation must be made of the carrying out of them. At the same time, internal consolidation should be carried out. Public security organs, procuratorial organs and people's courts should coordinate closely with factories, schools, stores, government offices and other units; take the initiative in providing the latter with information on crime; keep in contact with various public security bodies and guide them in work. When a worker or a student commits a crime, his unit or school should seriously investigate the cause of the crime, close the loophole and carry out internal consolidation.

The forum also stressed the need to prevent crime and to bring down the crime rate. It is imperative to confiscate weapons used for criminal purposes and to stop the activities of all illegal organizations and illegal publications. It is necessary to strengthen basic work and the work of basic units and to restore and strengthen the work of neighborhood, public security and mediation committees.

The forum held that the law is made and enforced by the people under party leadership. Our country is a sovereign state, and the law we enforce is the law of the PRC. The bourgeois legal concept of foreign countries must not be allowed to influence or interfere with our judicial work. Judicial and public security organs which are organs of dictatorship of the country must be strictly placed under the leadership of party committees at various levels and take a clear-cut stand in upholding the four basic principles. Under party leadership, the public security organ, the procuratorial organ and the people's court are three organs of a working system, a division of labor with individual responsibility. They must take the initiative in coordinating with one another, and at the same time, they check and balance one another. This ensures that the three organs handle cases accurately according to law. It is necessary to continue carrying forward the fine tradition of relying on specialized organizations and the masses under the leadership of party committees. Only with the powerful backing of the broad masses will judicial and public security departments be able to effectively prevent and put an end to criminal activities.

#### MINISTRIES SEND AID TO FLOOD-STRICKEN SICHUAN

OW250832 Beijing XINHUA in English 0729 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--Seventeen government ministries, state commissions and general administrations are rushing relief aid and materials for the restoration of production to Sichuan Province, which was ravaged by flood last week.

The Ministry of Commerce is sending 26 million meters of cotton cloth, 60,000 cotton blankets, 500,000 pairs of trousers and 500,000 jerseys of cotton interlock fabric and gasoline, diesel and lubricating oils totalling 66,000 tons.

The Ministry of Building Materials, the Ministry of Forestry and the General Administration of Supply have pledged glass, cement, coal, timber and other materials to the afflicted region.

The Ministries of Railways and Transport have given priority to transporting materials needed by Sichuan.

#### More Aid Forthcoming

OW261030 Beijing XINHUA Domestic Service in Chinese 1633 GMT 25 Jul 81

[Text] Beijing, 25 Jul--Following the sending of supplies to flood-stricken areas in Sichuan by the State Economic Commission and other ministries and commissions, more departments have taken actions to aid Sichuan in accordance with the State Council's directive.



I. 27 Jul 81

K 4

CHINA  
PRC NATIONAL AFFAIRS

The Ministry of Food has sent 130 million jin of rice and 20 million jin of soybeans to flood-stricken areas in Sichuan. The Ministry of Finance has appropriated funds to assist flood victims in solving their livelihood problems and help restore agricultural production, irrigation facilities, highways, communications and cultural and educational work. The All-China Federation of Supply and Marketing Cooperatives has sent 60,000 dun of chemical fertilizers, 160,000 pieces of bamboo for housing construction and 60,000 dan of cotton to Sichuan. In addition, the All-China Federation of Supply and Marketing Cooperatives has appropriated 4 million yuan to help various supply and marketing cooperatives at the grassroots level in Sichuan to repair and restore retail stores and warehouses.

GEZHOUBA SHIP LOCK REOPENS AFTER CHANG JIANG FLOOD

OW250826 Beijing XINHUA in English 0712 GMT 25 Jul 81

[Text] Wuhan, 25 Jul (XINHUA)--The No 3 ship lock at the giant Gezhouba Dam on the Yangtze River, which was closed during last week's flood peak, was reopened yesterday morning.

At 4:02 hours, the passenger steamer "Dongfanghong" No 48, sailing from Chongqing downstream to Wuhan, passed through the lock and the navigation channel in the third stream of the Yangtze River. Another passenger steamer, the "Dongfanghong" No 35, and two motorized junks sailing upstream from Wuhan to Chongqing, passed through the ship lock at 4:55 hours.

Navigation through the No 3 ship lock was stopped on July 16 when flood waters passing through the dam reached the danger point of 45,000 cubic meters per second. The flood was the greatest in the Yangtze River in 32 years, caused by successive downpours between July 12 and 15 in Sichuan Province in the upper reaches of the river.

Water flow was measured at 39,800 cubic meters per second as the ships passed through the lock yesterday morning.

JIEFANGJUN BAO PRAISES PRC NUCLEAR TEST WORKERS

OW270617 Beijing Domestic Service in Mandarin 2230 GMT 26 Jul 81

[Text] JIEFANGJUN BAO 27 July carries on page one in a prominent position a newsletter entitled "Where the Mushroom Clouds Rise." The newsletter describes the course taken by our country's modernized nuclear test base in the past 20 years in opening up the road to victory through arduous struggle and self-reliance. It also depicts the hard work in a tense atmosphere of the scientific and technical personnel, workers, cadres and fighters of the testing units in this base.

JIEFANGJUN BAO also publishes a commentary praising the high degree of patriotism and revolutionary heroism displayed by the builders of the nuclear test base, their outstanding talent and ability as well as their boundless wisdom.

NOTED ARTISTS MARK UPCOMING 1 AUGUST ARMY DAY

OW260730 Beijing XINHUA in English 0700 GMT 26 Jul 81

[Text] Nanjing, 26 Jul (XINHUA)--Noted Chinese painters, calligraphers and seal engravers in Suzhou, Jiangsu Province, recently produced more than 20 works of art to honor the 54th anniversary of the founding of the Chinese People's Liberation Army which falls on August 1.

Famous artist Zhang Xinjia, curator of the Suzhou Chinese painting gallery painted "The Red Plum" in traditional Chinese brushwork. He compared the red plum to the Chinese People's Liberation Army, saying red plum trees blossom defiantly, braving snow and frost.

Wu Yangmu, president of the Wumen painting school research society, produced a traditional landscape painting of mountains and water in bright colors. He said, every Chinese should love the Liberation Army who loyally defends the motherland. Wu Yangmu is a famous flower and landscape painter of the Wumen (Suzhou) school which originated during mid-Ming Dynasty (1368-1644).

Seventy-eight-year old Fei Xinwo, who is widely known for his beautiful calligraphy, wrote a large work with four Chinese characters, "Today's Great Wall." He said, "The Great Wall is the symbol of the Chinese nation and the rampart against foreign invasion. The army of the workers and peasants has constituted today's Great Wall, for whom we should record in letters in gold."

Seventy-six year old famous seal engraver Zhang Hanyue produced two seal scripts bearing party Chairman Hu Yaobang's inscriptions, "The great steel wall that defends the motherland" and "The pacesetter of moral civilization," in praise of the contribution made by the People's Liberation Army.

#### PLACEMENT EFFORTS FOR RETIRED SERVICEMEN INCREASE

OW261115 Beijing XINHUA Domestic Service in Chinese 1253 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--According to statistics of the Ministry of Civil Affairs, placement work for urban retired servicemen in various localities was performed more quickly and with better quality in 1981 than in past years. By the end of June, around 95 percent of all urban retired servicemen in the country had received placements. In general, the placements were 3 to 5 months faster than in 1980.

The number of servicemen retired from the armed forces in 1981 was the largest ever and the number of retired servicemen in urban areas was more than 2 times greater than in past years. Moreover, since the country is undergoing a period of economic readjustment, the urban placement task has been heavier and more difficult. However, various localities have conscientiously carried out the guidelines of the 1980 national conference on placement work for retired military cadres and servicemen. Provinces and municipalities directly under the central government and autonomous regions have all established leading groups to handle the placement of retired servicemen in order to strengthen their overall leadership over such work. They have set up and perfected placement work organizations at all levels. Many localities have transferred personnel from labor, public security, grain, commerce, people's armed forces and other departments to their placement offices to consolidate this work. As a result, a "coordinated process" work method has been created, which has greatly reduced the time required by indirect work methods and which has raised efficiency. In performing the placement work, all localities have conscientiously implemented the principle of "assigning tasks according to their respective departments and holding them responsible until the completion of their tasks," thus reducing instances of shifting of responsibilities and disputes over trifles. At the same time, in performing the placement work, all localities have also paid special attention to performing ideological and political work well among the retired servicemen. They have used various methods to teach them to engage in the four modernizations with determination. The vast majority of retired servicemen have carried forward the glorious traditions of the people's army, shown understanding and sympathy for the country's difficulties and pleasantly followed the assignments of their organizations, thus guaranteeing the smooth progress of the placement work.

#### JIEFANGJUN BAO REVIEWS 1934 RED ARMY CAMPAIGN

OW260420 Beijing Domestic Service in Mandarin 2230 GMT 25 Jul 81

[Text] The JIEFANGJUN BAO on 26 July devotes two pages to an article by Comrade Su Yu entitled "Reminiscences of the Red Army's Northbound Anti-Japanese Advance Party."

The article reviews the historical background of the dispatching of a northbound anti-Japanese advance party of the Chinese workers' and peasants' Red Army by the party Central Committee in 1934 and the course of the struggle to boldly drive into areas behind enemy lines in Fujian, Zhejiang, Jiangxi, Anhui and other provinces. It warmly extols the glorious achievements of the masses of commanders and fighters who experienced all kinds of hardships and difficulties and fought heroically. At the same time, it gives a concrete account of the serious harm caused by Wang Ming's "left" adventurist errors.

After pointing out the reasons for the failure of the Red Army's northbound anti-Japanese advance party, the article says: The historical lesson in the advance party's failure convincingly teaches us by negative example that if we go against Mao Zedong Thought, the revolution will suffer setbacks.

The article also notes that after the Zunyi meeting established the leading position of Comrade Mao Zedong in the Red Army and party Central Committee, the remaining troops of the anti-Japanese advance party formed an advance division of the Red Army. This division moved into southern Zhejiang and victoriously fought a guerrilla war for 3 years in the enemy's heartland. After 1937 this force again moved north and joined the mighty torrent of the anti-Japanese war.

#### VICE PREMIER. WAN LI URGES BOOST IN TOURIST TRADE

OW241238 Beijing XINHUA in English 1218 GMT 24 Jul 81

[Text] Beijing, 24 Jul (XINHUA)--Chinese Vice-Premier Wan Li, speaking at a national tourism conference that closed in the capital today, called for greater efforts to boost China's tourist trade as part of the country's economic construction program. At the same time, he warned tourist officials against immoderate pricing policies.

The conference, the first ever called by the State Council since the founding of the People's Republic in 1949, was attended by more than 260 tourist officials from across China, leaders of central government departments and the state general administration for travel and tourism.

The vice-premier said China must integrate her tourist industry into the national economic plan and strive to improve the service. He said that while earnings from tourism were important for China's construction, the promotion of friendship with people of other countries was also a major consideration. He criticized officials who had gone too far in making money from tourism and said measures must be taken to correct unreasonably high prices. Arbitrary cuts in prices for the sake of competition should also be discouraged. Prices should be set according to the quality of goods, services and facilities, Wan Li said, and should be in line with international practices.

Wan Li called on tourist officials in all regions in China to coordinate their efforts under unified policies and regulations. Apart from building more tourist accommodation, they should improve management and planning and upgrade their services.

#### YIZHENG CHEMICAL FIBER WORKS TO BE CONTINUED

OW251350 Beijing XINHUA in English 1240 GMT 25 Jul 81

[Text] Nanjing, 25 Jul (XINHUA)--The State Council has decided to continue the construction of the Yizheng chemical fiber works in Jiangsu Province, one of the big projects which were removed last year from the 1981 construction program. Work to be resumed on the project includes the No 1 polyester fiber plant and corresponding electricity and water supply, communication and telecommunications facilities.



The Yizheng works is designed to produce 480,000 tons of polyester annually. Installations will come from West Germany under a contract signed in 1978. All equipment for the No 1 plant has arrived at Yizheng. It will produce 180,000 tons of polyester a year. Trial production is expected to begin in 1984.

XINHUA ARTICLE ON MEETING RURAL MARKET DEMAND

OW261915 Beijing XINHUA Domestic Service in Chinese 0223 GMT 26 Jul 81

["XINHUA Commentator's Article: 'Industrial Production Should Be Geared to Market Demand in the Vast Countryside'"--XINHUA headline]

[Text] Beijing, 26 Jul (XINHUA)--Eight out of 10 Chinese people are peasants. The capital iron and steel company has recently designed and produced special steel products needed by peasants for building houses, thus making a good attempt to meet market demand in the countryside. This is something new that should be praised and promoted.

Since the 3d Plenary Session of the 11th CCP Central Committee, the situation in the countryside has been increasingly gratifying. With the increase of their income, peasants' needs have grown. Every year many peasants in the country build new houses. Thus there is a giant building materials market in the countryside. After studying the new situation in the countryside, the capital iron and steel company has been producing whole sets of steel products needed by peasants for building houses. These steel products are welcomed by the peasants.

Our country is now in a period of economic readjustment. Meeting the growing market demand in the countryside is of great significance for industrial readjustment and the vigorous development of the economy. As far as the iron and steel industry is concerned, it has more than 20 million dun of steel products in stock throughout the country. After lowering its production target this year, the capital iron and steel company still has some products in stock for which it cannot find customers. If this company can annually produce 100,000 sets of steel products needed by peasants for building houses, it will be able to put its idle equipment and manpower to use and to turn 100,000 dun of steel into products needed by the peasants. At the same time, it will be able to return more than 70 million yuan of currency from circulation and present it to the state.

The peasants constitute the overwhelming majority of our country's population. If peasants build houses with wood, they have to cut down trees. When large numbers of peasants want to build houses, they will cut down many trees. However, our country is short of forests. Our forests should not be excessively logged for a fairly long time to come. Therefore the supply of lumber cannot be expected to increase. In this situation, by making vigorous efforts to produce and supply prefabricated steel and concrete parts for peasants to build houses, we can make more lumber available for making furniture that is urgently needed by the people. This will also prevent people from cutting down trees and will be conducive to protecting our country's forest resources.

The great significance of industrial production being geared to market demand in the countryside also lies in the fact that this can further strengthen the worker-peasant alliance and promote the flow of goods and materials between city and country.

As far as a big enterprise like the capital iron and steel company is concerned, it is not difficult for it to design and produce steel products needed by peasants for building houses. It did not do so before "not because it was unable but because it was unwilling to do so." It did not do so mainly because it disdained producing such small things as steel parts for peasants to build houses. With the change in the company's thinking, it has achieved very good results. For factories, enterprises and leading industrial departments, this fact is enlightening.



The basic conditions of our country are that it has 800 million peasants and that the countryside provides a vast market for industrial products. Comrades of the industrial departments should always keep the needs of the 800 million peasants in mind and try to meet market demand in the vast countryside. They should emancipate their minds, use their intellect, make industrial readjustment according to the needs of large numbers of peasants and blaze a new path for economic prosperity.

#### COMMERCE MINISTRY ON MANAGEMENT SYSTEM REFORM

OW261339 Beijing XINHUA Domestic Service in Chinese 1307 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--The Ministry of Commerce recently issued a circular to all provincial, municipal and autonomous regional departments and bureaus of commerce, calling on commercial departments in all localities to actively conduct experiments in selected units in enforcing the system of management responsibility.

Since last year, following the trial practice of extending the decisionmaking powers of enterprises, commercial departments in various localities have been carrying out experiments in reforming management and accounting methods and forms of distribution in a number of grassroots units where conditions permit such experiments. Fairly good results have been achieved throughout the barber's trade with the wage system under which a percentage of above-quota profits can be retained. Trial practice of the commercial management responsibility system is now being carried out on a larger scale in some provinces. Leaders of some provincial departments and bureaus of commerce have gone to the grassroots level to conduct experiments. In some other provinces leading bodies have been established solely for the purpose of taking charge of experimental reform work at the grassroots commercial units.

The Ministry of Commerce calls on all localities to pay particular attention to the work of trial reforms of the management responsibility system, which mainly involve allowing smaller units to act as accounting units and making each unit responsible for its profits or losses. The reforms also involve levying taxes instead of fixing quotas on the profits to be turned in and employing the method of fixed wages plus the retention of a percentage of excess profits. All commercial departments and bureaus should establish leading bodies to take exclusive charge of the work of such reforms at the grassroots level. Responsible comrades should go to the grassroots levels themselves to carry out investigations and studies.

The Ministry of Commerce circular notes that the main reasons for reforming the management system at grassroots commercial units are to change the practice of excessive and rigid overall control in order to further mobilize the initiative of enterprises in managing and of their workers and staff in performing labor and services; to raise the quality of service and increase the economic results in order to adapt the commercial units to the development of commodity production; to meet the need of the people for improved living standards and to give full scope to the superiority of socialist commerce. The circular also notes that ideological and political work should be strengthened in reforming the management system and in practicing the system of management responsibility.

The Ministry of Commerce also made copies of the materials submitted by eight grassroots units in Hebei, Shanxi and Gansu Provinces and Xinjiang Autonomous Region on their experiments in the economic reform and distributed them to the commercial departments in various localities for their reference.

#### LARGE DESALINATOR OPERATING ON XISHA ISLANDS

OW241531 Beijing XINHUA in English 1200 GMT 24 Jul 81

["China's Largest Desalination Device Starts Working on Xisha Islands"--XINHUA headline]

[Text] Beijing, 24 Jul (XINHUA)--China's first large desalinator has started operation, according to today's GUANGMING DAILY.

This electrodialysis desalination device can produce 200 tons of drinking water daily, with low consumption of energy, easy operation and has an automatic measuring and warning system. The quality of the desalinated water is better than the drinking water in a number of Chinese cities. This device is the joint effort of the second institute of oceanography under the national bureau of oceanography and other units.

#### YANG JINGREN MEETS WITH NEWLY CONSECRATED BISHOPS

OW241324 Beijing XINHUA in English 1256 GMT 24 Jul 81

[Text] Beijing, 24 Jul (XINHUA)--A meeting of more than 70 bishops and priests from the National Administrative Commission of the Chinese Catholic Church and the Chinese Catholic Bishops College today ordained five new bishops at a consecration ceremony in Beijing's St Mary of the Immaculate Conception Church. The five, elected by secret ballot from their dioceses by clergy and congregations, are Paul Xu Zhenjiang, 61, of the Shenyang diocese in Liaoning Province; Augustin Zhao Jingnong, 72, of the Tianshui diocese in Gansu province; Joseph Qian Huimin, 70, of the Nanjing diocese of Jiangsu Province; Mathias Ma Longlin, 64, of the Suzhou diocese in Jiangsu Province and Laurence Zhang Wenbin, 68, of the Dali diocese in Shanxi Province. All five were former priests who enjoyed great popularity amongst their congregations, said a leading member of the administrative commission.

Today's ceremony was officiated by Zong Huaidebn, bishop of Jinan diocese in Shandong province. The 70 clergy in attendance are here for a meeting of China's three major Catholic organizations, the commission, the college and the China Catholic Patriotic Association. Nearly 1,000 Catholic citizens attended the mass held after the consecration.

Paul Xu Zhenjiang said "at the request of the clergy and congregation of the country, we have ordained five new bishops at the national Catholic meeting. This action is a counter-blow to the Vatican, who has ignored the sovereignty of the Chinese church and illegally appointed Deng Yimin as archbishop of Guangdong Province. It demonstrates once again the determination to run our church independently."

This afternoon Vice Premier Yang Jingren received the meeting's clergy and the new bishops, encouraging them to foster a spirit of patriotism and adhere to the independent administration of the church. Leaders of the United Front Works Department of the Central Committee of the Communist Party and the Bureau of Religious Affairs under the State Council also were at the meeting.

#### BEIJING MEMORIAL SERVICE FOR COMRADE BIE ZUHOU

OW250541 Beijing XINHUA Domestic Service in Chinese 1517 GMT 24 Jul 81

[Excerpts] Beijing, 24 Jul (XINHUA)--Comrade Bie Zuhou, adviser to the PLA railway corps, died of illness on 16 July 1981. He was 69 years old. A memorial meeting was held for Comrade Bie Zuhou by the leading organ of the railway corps on the afternoon of 24 July. Chen Zaidao presided over the memorial meeting. Kuang Fuzhao delivered the memorial speech.

Wreaths were sent from the CCP Central Committee Military Commission, the PLA General Staff Headquarters, the PLA General Political Department, the PLA General Logistics Department and other units as well as from Li Xiannian, Geng Biao, Yang Shangkun, Zhang Aiping and Wang Ping. Wang Zhen, Yu Qiuli, Kang Shien and others attended the memorial meeting and also sent wreaths. Also present at the memorial meeting were more than 800 people including representatives of cadres and fighters of organs of the railway corps and friends of Comrade Bie Zuhou.

DIFFERENTIATE MAO FROM MAO ZEDONG THOUGHT

HK241108 Beijing RENMIN RIBAO in Chinese 24 Jul 81 p 4

["Understanding the Documents of the Sixth Plenary Session of the CCPCC" Column by Wu Lu [0702 3472]: "Such Differentiation Is Very Necessary"]

[Text] The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" has differentiated the scientific theory of Mao Zedong Thought long-tested by history from the mistakes made by Comrade Mao Zedong in his later years. This is very necessary in correctly understanding Mao Zedong Thought and upholding and applying Marxism-Leninism-Mao Zedong Thought as a guide to Chinese revolution and construction in the new historical period. One very very important point about the study of the "resolution" is to pay attention to such differentiation.

Mao Zedong Thought illuminated the course of the Chinese revolution from setbacks to victory, and led the Chinese people onto the broad socialist path, so that the most profound social reform in the history of China was completed. This is clear to everyone. Comrade Mao Zedong made serious mistakes in his later years, especially the "Great Cultural Revolution" initiated by him which brought great disaster to the party and the people. This cannot be denied. The tremendous contributions made by him are without parallel, while the mistake of the "Great Cultural Revolution" affected the whole situation and was of a long duration. Such a contradictory historical phenomenon influenced certain comrades within a period of time. They assumed two erroneous attitudes toward Mao Zedong Thought. They negated the scientific value of Mao Zedong Thought and negated the guiding role of Mao Zedong Thought in the Chinese revolution and in construction because Mao Zedong made mistakes in his later years. Or they negated the mistakes made by Comrade Mao Zedong in his later years and promoted the "two whatevers" in an attempt to uphold Comrade Mao Zedong's wrong viewpoints in the course of new practice. The "resolution" has differentiated the scientific theory of Mao Zedong Thought from the mistakes made by Comrade Mao Zedong in his later years--providing us with an effective key in our rectifying the above two erroneous attitudes toward Mao Zedong Thought.

Here the major problem is: What is called Mao Zedong Thought? Is Comrade Mao Zedong's personal way of thinking to be called Mao Zedong Thought?

On this problem, there was an open discussion as early as at the seventh national CCP congress: Mao Zedong Thought was a product of the general principles of Marxism-Leninism and the concrete practice of the Chinese revolution. In the "resolution," it was clearly stated: "Mao Zedong Thought is the application and development of Marxism-Leninism in China; is the correct theory and principle and the summation of experiences about the Chinese revolution proved by practice; and is the crystallization of the collective wisdom of the Chinese Communist Party. Many outstanding leaders of our party have made important contributions toward its formation and development. Comrade Mao Zedong's scientific works are the concentrated embodiment of it."

As far as Comrade Mao Zedong the individual is concerned, he was not a born Marxist. Just as he stated many times, he in his early years was a religious believer, a believer in Confucius and also a believer in idealism and democratic reformism. Only later did he discover Marxism. Obviously, we cannot incorporate all the ideas of his early years into Mao Zedong Thought.

Not every viewpoint put forth by Comrade Mao Zedong even in the later period when he, then a Marxist, applied Marxism-Leninism in studying the reality of the Chinese revolution and put forth a number of new conclusions, that is, during the time when Mao Zedong Thought took shape, should be incorporated in Mao Zedong Thought. In his speech entitled "The Working Principles of the 'Seventh CCP Congress'" published recently, Comrade Mao Zedong said: "I have also committed mistakes before."



"In 1927, I wrote an article, applying the Marxist viewpoint. However, as I did not have a Marxist viewpoint toward economic problems, the passage on economic problems was wrong. Moreover, I also made many mistakes in my work, whether in the military and political sphere or in party affairs, over the past decades and more. I did not put down these mistakes in writing, but this does not mean that I did not make them. Judging by actual history and the true situation, I made mistakes." Comrade Mao Zedong made this speech when the seventh national CCP congress took Mao Zedong Thought as the ideology guiding the Chinese revolution and put this in writing into the party constitution. This shows that even at that time, the party and Comrade Mao Zedong himself did not mix Comrade Mao Zedong's mistakes and his lack of the Marxist viewpoint with Mao Zedong Thought.

Some comrades hold that during his later years, Comrade Mao Zedong did not make mistakes just in an article and lack the Marxist viewpoint toward a specific question but went against Marxism when dealing with a number of major issues. So, they say that Mao Zedong Thought should not be mentioned again. They even hold that if Mao Zedong Thought is to be upheld, his mistakes during his later years should also be mentioned. This viewpoint is incorrect. Actually, during his later years, Comrade Mao Zedong did not make mistakes in just some individual problems. The principal thesis of the "Great Cultural Revolution" initiated by him was summed up as the "Theory of continued revolution under the dictatorship of the proletariat," which was certainly not a mistake represented by an individual conclusion. And yet, we should not mix Comrade Mao Zedong's erroneous proposals during his later years with Mao Zedong Thought. Mao Zedong Thought is a product of the integration of the universal principles of Marxism-Leninism with the concrete practice of the Chinese revolution. The erroneous leftist thesis of the "Great Cultural Revolution" initiated by Comrade Mao Zedong during his later years conformed neither with the universal principles of Marxism-Leninism nor with the reality of China. Its assessment of the class relations and the political conditions of our party and state was entirely wrong. Therefore, we definitely should differentiate Comrade Mao Zedong's mistakes during his later years from Mao Zedong Thought which is a scientific theory which took shape after being tested for a long period of time.

This differentiation is of vital significance in the development of the Chinese revolution. If we uphold the erroneous leftist thesis of the "Great Cultural Revolution" initiated by Comrade Mao Zedong and take it as the scientific theory of Mao Zedong Thought, we shall sink deeper and deeper in the quagmire of the "left." If we negate Mao Zedong Thought just because Comrade Mao Zedong committed mistakes during his later years, we shall be pacing up and down in the fog. Since the 3d Plenary Session of the 11th CCP Central Committee, the CCP Central Committee has adopted a very prudent attitude toward the appraisal of Mao Zedong Thought. On the one hand, it firmly rectified the mistakes committed by Comrade Mao Zedong during his later years and has scored remarkable results in eliminating chaos and restoring order in various spheres. On the other hand, it has firmly resisted the wave of erroneous ideas of a few people to negate Mao Zedong Thought. While eliminating chaos and restoring order in the past few years, we have made criticism and established new things without going beyond the scope of the scientific theory of Mao Zedong Thought. Now, the "Resolution" has theoretically differentiated Mao Zedong Thought from the mistakes committed by Comrade Mao Zedong during his later years. Through serious study and by unifying the thinking of all party members on the basis of the "Resolution," we surely can accomplish with faster and better results our task of eliminating chaos and restoring order on all fronts and advance firmly toward the great goal of building a powerful modern socialist China.

SUN YEFANG SPEAKS ON MAO ZEDONG, 'RESOLUTION'

HV240924 Beijing GUANGMING RIBAO in Chinese 18 Jul 81 p 3

[Speech by Sun Yefang [1327 0396 2455]: "Emancipate Our Minds and Forge Ahead Swiftly and Rapidly"]

[Text] I am a pupil of Comrade Mao Zedong, because in the 28 years before the founding of the state he saved the revolution and the party on numerous occasions. In the early period after the founding of the state, he again led everybody from victory to victory. Therefore, even though I was criticized during the socialist education movement and attacked and persecuted in the early period of the "Great Cultural Revolution," it never occurred to me at that time that Comrade Mao Zedong had made mistakes. Naturally, as a pupil of Comrade Mao Zedong, the responsibility I should bear regarding his mistakes is not as great as that of his fellow comrades-in-arm. However, as a veteran party member educated by the party for scores of years and as a believer in Marxism and historical materialism, can the acceptance of a personality cult be forgiven?

Before the victory of the revolution, Comrade Mao Zedong in his report "On Coalition Government," delivered at the seventh national congress of the CCP in 1945, said: "In the final analysis, the impact, good or bad, great or small, of the policy and practice of any Chinese political party upon the people depends on whether and how much it helps to develop their productive forces, and not whether it fetters or liberates these forces." Today, in using the above criterion of Comrade Mao Zedong to examine our achievements in the 32 years since the founding of the state, what conclusion should we draw? The conclusion is: Our national economy was seriously damaged in the 10 years of the "Great Cultural Revolution" and our socialist construction did not achieve what it should have. There are three different attitudes regarding this objective fact: The first attitude is that of the enemy and the people who have no faith in socialism. Their conclusion is "socialism is not as good as capitalism." The second attitude is closing one's eyes to reality, concealing one's faults for fear of criticism and adopting a policy of nonrecognition. This is the attitude of having no confidence in oneself. The third attitude is that of the "resolution" of the 6th Plenary Session of the 11th CCP Central Committee. It admits our mistakes, admits objective facts and admits our backwardness, but all these have been caused by our subjectivity, and they do not mean that there is no superiority in the socialist system. On the contrary, we fully believe in the superiority of the socialist system and in overtaking and surpassing capitalism. This is the only correct attitude.

As we all know, the high-speed development of socialism has been twice truncated as a result of the two great upheavals of the "Great Leap Forward" and the "Great Cultural Revolution." Moreover, the "Great Leap Forward" and the "Great Cultural Revolution" do not represent socialism and can only be described as disruptions of socialism. The superiority of socialism has been fully demonstrated at times when the socialist economy has not been subjected to disruptions (as in the "5 January" period and during the period when the "eight-character" policy was implemented from 1963 to 1965).

What must we do in the future? Time is short and we do not have enough experience. This is an unalterable objective fact. However, overemphasis on the point of not having enough experience will give rise to passivity and pessimism and turn us into parochial empiricists. We cannot afford to sit and wait another 30 years or 300 years and let the coming generations enrich their experience before carrying out revolution and construction. In fact, if we adopt this passive attitude, we still will not be able to enrich our experience after another 30 years or 300 years. We can only keep on summing up experiences and lessons, correct our mistakes and forge ahead swiftly and rapidly with greater vigor. This is the great historical significance of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" passed by the 6th Plenary Session of the 11th CCP Central Committee."

CYL'S LEADERS CALL FOR STUDYING 'RESOLUTION'

## Han Ying Speech

HK171410 Beijing ZHONGGUO QINGNIAN BAO in Chinese 11 Jul 81 p 1

[Report: "Studying the 'Resolution' Is an Important Means To Strengthening the CYL Ideologically--CYL Central Committee Holds Report Meeting and Maps Out Plans to Implement the Guidelines of Sixth Plenary Session"]

[Text] On the morning of 10 July, the CYL Central Committee held a report meeting in Beijing. Deng Liqun, director of the research office under the Secretariat of the CCP Central Committee, was invited to give a guidance lecture on the study of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China." On behalf of the CYL Central Committee, Han Ying, first secretary of the CYL Central Committee, gave a speech on how the whole CYL should study the "resolution" well, requesting the whole CYL to make the study, propagation and implementation of the "resolution" a central task in the second half of this year.

Present at the report meeting were cadres from the central organs and CYL organizations of Beijing Municipality and students from the CYL central school, a total of over 1,500 people.

Han Ying said, the 6th Plenary Session of the 11th CCP Central Committee is a meeting of great significance in the history of our party. The "resolution" unanimously approved at the plenary session, the reelection of principal leading members of the Central Committee and election of new ones have correctly reflected the will of the whole party and the aspirations of the youths throughout the country. Vast numbers of CYL members and youths said that the sixth plenary session was conducted well and that the "resolution" was well written. The CYL resolutely supports the "resolution" and all the policy decisions of the sixth plenary session.

Han Ying pointed out, the "resolution" is a document radiating with the brilliance of Marxism-Leninism-Mao Zedong Thought and the best textbook for our study of the party's history and for carrying forward the traditions of the party. In order to study the "resolution" well, the CYL Central Committee puts forward the following four requirements to the whole league:

First, it is necessary to grasp well the study of the "resolution" and regard it as an important means for ideologically building all CYL organizations and cadres. It is necessary to put the study of the "resolution" first and combine it with the study of the "communique" of the plenary session and Comrade Hu Yaobang's speech at the mass rally celebrating the 60th anniversary of the party. All localities should first of all, in accordance with the unified plan of party committees, organize the CYL committees at the county level or above to study well the "resolution." CYL organizations at the grass-roots level should, in accordance with the arrangements of the local party organizations, train core members to conduct the study and instruct them well. CYL cadres should, after their own study give explanations to CYL members and youths and, by using the methods of presenting the facts and reasoning things out and by making use of interesting and concrete materials in their localities and units, help CYL members and youths to understand the key points and basic spirit of the "resolution."

Second, in combination with the study of the "resolution," conduct widespread activities among youths throughout the country to educate them to love the motherland, the socialist system and the party. This is deemed necessary in order to uphold the four basic principles, and is a demand of the current activities of the "five stresses and four beauties." Educational activities should be in accordance with the "resolution," starting from "history." All localities should unfold activities such as publicizing historical personages, historical events and historical stories, interviewing the revolutionary older generation and visiting exhibitions of historical sites or relics.



Third, it is necessary, in accordance with the requirements of the "resolution," to resolutely make ideological and political work the core of the work of the whole CYL and persist in educating youths to have the Marxist world outlook and communist morality. CYL cadres should study well Comrade Mao Zedong's theoretical works and treatises related to youth work and the educating of youths, persist in the policy of enlightening youths, constantly strengthen and improve ideological and political work by using vivid and lively methods and lead them to resist the influence of decadent bourgeois ideology and remnant feudal ideology. It is necessary to continue to grasp well the "two arms" put forward by the "10th CYL Congress," namely, arming youths with Marxism-Leninism-Mao Zedong Thought and with modern scientific and cultural knowledge.

Fourth, by studying the "resolution," march forward in unity and bring into play the shock and vanguard role of CYL members and youths in building socialist material and cultural civilization. As a close assistant of the party, the CYL should prove with actions that it is worthy of its glorious title. It is necessary for CYL organizations to lead youths in making contributions to the four modernizations and raise to a new high tide of activities in striving to become shock workers in the new Long March. It is necessary to carry out the activities of learning from Lei Feng, fostering the new general mood and the "five stresses and four beautifuls" through to the grassroots levels and make them a regular practice by developing them so as to get definite results in a down-to-earth manner. It is necessary to be concerned with the immediate interests of youths and promote the healthy growth of youths. And it is necessary to continue doing a good job in strengthening the ranks of the CYL and constantly raise the combat effectiveness of the CYL.

#### Deng Liqun Lecture

HK200408 Beijing ZHONGGUO QINGNIAN BAO in Chinese 11 Jul 81 p 1

[Report: "Comrade Deng Liqun Gives Guidance Lecture on Studying the 'Resolution'"]

[Text] At a report meeting held by the CYL Central Committee, Comrade Deng Liqun gave a guidance lecture on the great significance and main spirit of the "resolution."

Deng Liqun pointed out: The "resolution" and Comrade Hu Yaobang's speech have won the warm support of the whole party and army and the people throughout the country. After citing the comments and responses inside and outside the country, he remarked: The "resolution" is a significant document of our party in the past 32 years. He noted: After a preliminary study of the "resolution," the CYL cadres and members and other young people are very satisfied. On seeing the way our party has so very seriously and scientifically summed up its past experiences and handled all problems, most of the people of China's younger generation have further understood that our party is a solemn and serious party which is responsible to the communist cause. This has demonstrated that China's young people trust the party and they are willing to make even greater contributions to promoting our socialist modernization.

Deng Liqun also analyzed the reason why the "resolution" achieved such a good result. He noted: This is mainly because the "resolution" has fully manifested the correct guiding principles of the central authorities: establish the position in history of Comrade Mao Zedong and uphold Mao Zedong Thought; appraise in a truth-seeking way the rights and wrongs and achievements and errors over the past 32 years since the establishment of the PRC; and unify our understanding on the basis of the above two principles; unite together and look ahead and develop the four modernizations with one heart and one mind.

He emphatically pointed out: These three guiding principles are embodied in the "resolution," and the most fundamental key question is establishing the position in history of Comrade Mao Zedong and upholding Mao Zedong Thought.

We must treat the position in history of Comrade Mao Zedong on the basis of the complete history of Comrade Mao Zedong and of the party; we must look at his achievements and errors through a comprehensive view; we must treat Comrade Mao Zedong's great meritorious achievements on the basis of a significant turning-point in the history of the development of China's revolution; and we must look at the great contributions of Mao Zedong Thought on the basis of ideological theory. In the past, the present or the future, Comrade Mao Zedong is always our great leader and teacher.

Deng Liqun pointed out: The "resolution" was very well written because it was completed through bringing democracy into full play within the party under the collective leadership of the CCP Central Committee. People have spoken out freely and the "resolution" has drawn on collective wisdom and absorbed all useful ideas. It has realized a high degree of centralization on the basis of a high degree of democracy and has demonstrated that our party's democratic centralism has reached an unprecedented level.

In conclusion, Deng Liqun hoped that the CYL cadres and members and other young people would respond to the call of the CCP Central Committee and, while studying the "resolution," seriously study the philosophical thinking of Comrade Mao Zedong, the history of revolution in modern China and the history of the CCP. Only by understanding and respecting history and gradually understanding the objective law of historical development is it possible to maintain even more firmly our correct political orientation and do an even better job of making contributions to vigorously developing China.

#### SHANGHAI PAPER CARRIES SPEECH ON CHEN YUN WORKS

HK240334 Shanghai SHIJIE JINGJI DAobao in Chinese 15 Jun 81 pp 4,5

[Speech by Deng Liqun [6772 0500 5028] at the second annual meeting of the Chinese enterprise management association in March 1981: "Seriously Study Chen Yun's Economic Theories"]

[Text] [Begin summary in italics] Comrades who have read Comrade Chen Yun's economic works will draw the same conclusion: Thirty-one years of practice has proved that Comrade Chen Yun's opinions are in conformity with China's national conditions. If we act according to his opinions, we can do our economic work well. In the past, we sometimes acted in accordance with his opinions but we sometimes put his opinions aside and even acted contrary to them and suffered a great deal. Therefore, if we want to do our economic work well, we should from now on follow the principles and proposals put forth by Comrade Chen Yun, implement them while taking the new situation into account and develop them in our practice. In this way, we will be confident to carry out our economic construction better and be able to avoid repeating our past mistakes. [end summary in italics]

As we all know, our socialist economy is still a commodity economy and our expansion of reproduction is still expansion of reproduction under conditions of a commodity economy. Consequently, in our study, we cannot separate theoretical problems of expanding reproduction from the laws and the category of a commodity economy and from the economic means related to it. For many years, this problem has been discussed by theoretical circles and comrades doing practical work in our country. We have reached unanimity of understanding on many problems but there are still many problems which need further probing. Stalin once wrote a book called "Economic Problems of Socialism in the USSR." In this book, he touched on commodity production and the law of value under socialist conditions. His theory on this problem was correct in some aspects but wrong in others. Its correct aspects played a positive role in our economic work while its incorrect aspects once restrained our thinking. But we must admit that for a certain period of time, this negative influence was curbed in China. When Comrade Chen Yun was in charge of financial work, although he did not make any formal comments on Stalin's views that the law of value plays no part in production and the means of production are not commodities, Comrade Chen Yun's practice differed from Stalin's theory in many respects and may even be considered as going against it.

The reason was chiefly that our social conditions at that time were different from the social conditions of the Soviet Union. In the early stage after liberation, we confiscated the bureaucratic capital and set up a socialist state-run economy but we allowed the existence of national bourgeois capital. We adopted the policy of "utilizing, restricting and transforming" the national bourgeoisie. Individual economy in agriculture and handicrafts was extensive. With the exception of allocating means of production within a state-run economy, which was the result of Stalin's influence, we carried out commodity production and commodity exchange. This was quite different from what Stalin did. Moreover, the scope directly under state plans was relatively small. The state could only directly plan a state-run economy. It could only have indirect planning for a private capitalist economy. Only planned purchasing and marketing by the state was practiced in the individual peasant economy which was extensive. This situation was quite different from that in the Soviet Union in 1951 when Stalin published his work. Comrade Chen Yun paid great attention to seeking truth from facts. He acted in accordance with China's national conditions, and therefore the policies adopted were certainly different from Stalin's. This was what Comrade Chen Yun called "books cannot decide everything." It is necessary to read books but we should not apply what we read mechanically. For example, in the early stage after liberation, the amount of cotton we grew was far from adequate and we had to import it. In old China, we all know about the so-called "U.S. cotton" which Chiang Kai-shek imported in large quantities each year. When Comrade Chen Yun was in charge of financial work, he adopted the measure of raising the price of cotton. The price of one catty of cotton was equal to that of eight catties of grain. Consequently, the output of cotton increased rapidly. We were soon self-sufficient, and during a period of time we were even able to export textile goods processed from our own cotton. This proved that Comrade Chen Yun made use of the law of value to regulate production. In the book mentioned above, Stalin said that the law of value could not be used to regulate production and that it could only be used to regulate circulation and the market. In the early stage after liberation, some capitalists in Shanghai stirred up trouble. They speculated in cotton yarn, which greatly affected prices. After carrying out investigations and ascertaining how much cotton yarn was being speculated on in the market, Comrade Chen Yun decided on a policy: private spinning enterprises had to sell a fixed amount of cotton yarn to the state. As soon as the state controlled 60 to 70 percent of the cotton yarn, speculation was at once stopped, and the prices of cotton goods were stabilized. He combined economic laws with administrative measures, and during the process of socialist transformation, he practiced planned purchasing and marketing of grain, oil and cotton by the state, placing orders by the state with private enterprises for processing materials or supplying manufactured goods, purchasing by the state of the output of capitalist enterprises and state distribution of all finished products of capitalist firms. Although these were administrative measures, they took into account the demands of a commodity economy and the demands of the law of value.

When the three transformations of private ownership of the means of production were basically completed, a great change took place. The state-run economy predominated. This provided conditions for the state to extend its scope of planning, and thus the proportion of the state's direct planning increased. Under these circumstances, the negative effects of Stalin's theory that the means of production were not commodities, were even more clearly exposed. At the first meeting of the Eighth National CCP Congress in 1956, Comrade Chen Yun delivered a very good speech on this problem saying that the state-run market should be the dominant factor and the free market within a limited scope and under the leadership of the state should be a supplement. Recently, after reading an article, Comrade Zhao Ziyang sighed with emotion, saying: This article was written by Comrade Chen Yun in 1956, but many of the problems which we want to solve now in our economic reform were already outlined by Comrade Chen Yun at that time. Much of the work we are doing now had already been requested by Comrade Chen Yun in 1956.



Stalin did not permit selling the means of production (tractors and other large farm tools) to collective farms. Comrade Mao Zedong broke through Stalin's restraints and held that the agricultural means of production can and should be sold to production teams, production brigades and communes. At the first Zhengzhou meeting held in 1958, Comrade Mao Zedong mentioned Stalin's book "Economic Problems of Socialism in the USSR." He especially drew the audience's attention to these two passages: "In order to ensure an economic bond between town and country, between industry and agriculture, commodity production (exchange through purchase and sale) should be preserved for a certain period; it being the only form of economic link with the towns acceptable to the peasants." "At present the collective farms will not recognize any other economic relation with the towns except the commodity relation--exchange through purchase and sale." At this meeting, Comrade Mao Zedong refuted Chen Boda's stand of abolishing commodities and money, saying that some theorists were Marxists when they read books, but that they were not completely so when they encountered practical problems. At present, there is a tendency among some of our comrades to ask what contributions Comrade Mao Zedong made in theories concerning commodity production and exchange at equal value. They say that he only repeated some ideas of Marx, Engels, Lenin and Stalin. As a matter of fact, this is not the case. We should be aware that at that time, Comrade Mao Zedong asked us to read this book by Stalin, refuted Chen Boda's ideas and said that in our party there were tens of thousands of cadres who accepted Chen Boda's views and that if we did not correct this tendency, we would be faced with a great danger. Looking at the actual situation in 1958, we should not underestimate the practical role and tremendous historical role played by Comrade Mao Zedong in using the theories of Lenin and Stalin to solve practical problems at that time and to overcome the grave danger at that time. Later, Comrade Mao Zedong asked us to attach importance to commodity production and the law of value. He said exchange at equal value and distribution according to one's work were two basic Marxist principles which should absolutely and strictly be followed during the period of building socialism. Besides, he also said: The law of value "is a great school. Only by utilizing it will we be able to educate tens of millions of cadres and hundreds of millions of people and build our socialism and communism. Otherwise, nothing can be achieved." These conclusions not only played a great role at that time but also are of very great significance to our socialist cause even today.

A book called "Study Marxist Theory on Reproduction" has been published. Articles in the second volume of Marx's "Das Kapital" have been carefully selected and collected in it. There are 450,000 Chinese characters in the original volume, and after selection, about 100,000 characters have been edited along with several introductory articles written in a popularized form. This book should be properly read by economic workers. However, this book is rather difficult to read and it is advisable to read some introductions first before reading it. It should also be read simultaneously with Comrade Chen Yun's economic works.

According to Marxist theory on reproduction, the process of our social production is on the whole the unity of the process of direct production and the process of circulation. Circulation is the medium between production and consumption. Without the process of circulation, there would be no end to the process of social production and it would be difficult to conduct reproduction. However, we did not pay enough attention to problems of the process of circulation and thought that production was everything and that once products were produced our task was completed. Quite a few comrades engaged in industry thought that their task was production and that it did not matter whether or not those products were marketable. Therefore, people engaged in production seldom gave a thought to the market situation or the marketability of products. In the past, especially during the "Great Cultural Revolution," our enterprise management could in no way be considered good. Now we attach importance to management. A Japanese scholar said: It is quite right for you to attach importance to management. However, if an enterprise pays attention only to management and pays no attention to operations, it will not make much progress either.

He said that according to the Japanese experience, management and operations are two inseparable links. What is the meaning of operations then? It is the enterprise's decisions on strategic policies. For example, to determine major problems such as the orientation of products and the scale of production according to market predictions. The central problem is to strive in every possible way to make the products not just marketable but easily marketable. Therefore, personnel managing an enterprise should constantly be informed of changes in the market and its situation relative to the competition and increase the competitive power of their products and so on. In so doing, we must try hard to speed up the turnover of funds and circulation. Under the conditions of commodity production, only after a commodity is sold can each part of the process be compensated and realized, and only then, that is, after the product is sold on the market, can the process of production be considered complete. After this, the next production process begins. The funds of each enterprise must undergo the cycle of money funds-production funds-commodity funds and exist according to a certain ratio in these three forms. These three forms of funds exist simultaneously in space and change from one into another. The change from one form into a new one should take place in good time before circulation can be normally carried out. If circulation is not considered as an isolated movement but as a turnover process, it is funds turnover. The turnover period is the total time for production and circulation. Shortening the time for turnover and speeding up funds turnover is an important target in making decisions on strategic policies for operation.

Under conditions of commodity production, market problems are of very great significance to producers. Mercantilists held that value is created from the sphere of circulation, Marx said that this was wrong and that value created in the process of production could only be realized in the process of circulation. Every commodity has the problem of being realized. Lenin said that the market was the manifestation of social division of labor and commodity production. He straightforwardly called Marx's theory of reproduction the "theory of realization," that is, the realization of value through the market. The "theory of realization" looks at not only how to realize the form of value of each party of a social product but also how to realize the form in kind of each part of a social product. The exchange within the first category, the exchange within the second category and the exchange between the first and the second category must be carried out through the market. In a certain sense, attaching importance to the market is attaching importance to reality. We cannot just pay attention to production and ignore reality. If the commodities produced are not marketable and are overstocked, the value and use value created cannot be realized and the material labor and human labor will be wasted.

How many of our comrades, with the exception of comrades doing financial and trade work, attach importance to market problems? How many of our comrades engaged in production attach importance to market problems? I am afraid there are not many. Of course, this is directly due to our economic system. According to our present economic system, after consumer goods are produced, they are all purchased by the state and distributed by the state. If the goods do not suit the needs or if too many are produced, they will be overstocked in the warehouses of commercial departments. If supply cannot meet demand, goods will be in short supply and consumers will have to wait in long lines. This puts all the pressure on commercial departments and our factories can ignore it. After the means of production are produced, they are all allocated by goods and materials departments. Whenever they are needed, applications are made to goods and materials departments. This also often gives rise to producing goods that do not suit needs resulting in overstocking or not producing enough goods that are in great demand. This kind of economic system has been influenced by Stalin's theory. The process of circulation has been artificially separated from the process of production. As a result, those who are in charge of production may pay no attention to circulation and those who are in charge of circulation may pay no attention to production.

If this system and these methods are not changed, it will be very difficult to improve our economy and it will be very difficult for our enterprises to make progress. Because Stalin said that the means of production were not commodities, that they could not be circulated but should be allocated, and that the law of value functioned only in the sphere of circulation and not in the sphere of production, and even in the sphere of circulation it was limited to consumer products, and because we learned from the Soviet Union in the past, we were influenced by Stalin's pattern. Even now, things have still not completely changed.

Comrade Chen Yun did not directly criticize the aforesaid views of Stalin. Nevertheless, his work and his propositions actually broke through some of Stalin's trammels. In the production and supply of consumer goods, Comrade Chen Yun actually acted according to the law of value. Comrade Chen Yun always attached importance to the role played by commercial work and the market. He held that the situation of commodity supply in the market was a reflection of the financial, commercial and economic construction situation over the country. If there is short supply in the market year after year, it is now longer a problem of commercial work alone but a problem of the whole economy of the year in question, and it will be necessary to consider whether or not the policy for construction of that year and the previous few years is correct. By the way, I would like to mention that during the readjustment in 1962, a decision on commercial problems was drafted in accordance with the opinions of Premier Zhou, Comrade Chen Yun and Comrade Li Xiannian. It was criticized as a decision that was confined to commerce alone and did not proceed from production, viewed retrospectively, the criticism was not quite appropriate because Comrade Chen Yun's views on commercial work reflected in the document proceeded from the situation of the whole national economy and from the whole task of construction in considering what we should do in commerce. The situation at that time was that after several years of the Great Leap Forward, the scale of production greatly exceeded our capability and so more currency had to be issued. Using this method to solve problems at that time caused a drop in production, a decrease in commodity supply and inflation. The document demanded that the market be stabilized and the excess currency withdrawn. This was put forth on the basis of the situation of the whole national economy. As to concrete measures, we may still remember that high prices were charged for several things at that time, such as for confectioneries, dimsum and restaurant meals. Prior to that time, we had exported grain. Comrade Chen Yun said that in order to stabilize the market and to improve the people's livelihood, we had to make up our minds to import a portion of our grain. Besides we also had to make up our minds to import some cotton to be woven into cloth which would be used partly for domestic supply and partly for exports to obtain foreign exchange to buy grain. All these measures were put forth by Comrade Chen Yun in 1961. According to calculations made subsequently, those commodities offered at high prices alone withdrew over 5 billion yuan from circulation. This, together with gradual restoration of production and other measures, soon withdrew over 6 billion yuan of excess currency so that the currency in market circulation and the commodity supply at that time were balanced and the market was stabilized. The adoption of these measures roughly balanced the supply of consumer goods and consequently linked up production and circulation. So we cannot say that the decision was confined to commerce alone nor can we say that the discussion on the market did not have production as the starting point. On the contrary, it was precisely an application of Marx's principle on the unity of the process of production and the process of circulation.



Comrade Chen Yun said, "commercial work comes into contact with the people's lives every day. It concerns food, clothing and daily-use commodities, and it also concerns edible oil, salt, firewood and rice. We should not look down upon these things. They are important things for the people. We communists must show concern for the immediate interests of the masses every day. A man needs food and he cannot live on Marxism. If he does not eat for a day, he will suffer from hunger." "Commerce concerns the daily life of 600 million people. So we cannot say that it is a small matter and of no consequence." What he said in popular language contains precisely the basic principles of Marxism. If we have nothing to eat, we cannot draw pictures of cakes to allay hunger. Can Marxism allay hunger? No, it cannot. The reason why Marxism works is that under its guidance production can develop and the people can live better with each passing day. Commercial work has extremely extensive and deep connections with the people and is extremely important work. Therefore, it is worth our attention. Not only should commercial departments attach importance to it but comrades engaged in production should also attach importance to it, because commercial work and market problems are closely related to production. Therefore, opinions reflected in the market are in essence opinions of the masses toward production and our entire economic work. The market can reflect whether our economic construction is developing healthily. At present, we are still practicing a socialist commodity economy. Both the means of subsistence and the means of production are commodities. This problem has been discussed for many years and now most comrades have the same understanding. The law of value plays its part in both the scope of circulation and the scope of production. Therefore, the relation between supply and demand and the entire economic situation are most sensitively reflected in the market. Are foreign scholars not talking about paying attention to market mechanism? A bourgeois economist came to visit China. He said that in order to run capitalist production well information is absolutely necessary. The greatest asset of the market economy is quick access to information. He made ironic remarks about our socialist economy and our planned economy, saying that its shortcoming was lack of information. If there are 10 pieces of information at the basic level, they will all disappear after being transmitted from one level to another. This criticism was very ironic, but from it we can really see the faults of Stalin's theory and the faults of the economic system based on Stalin's theory. In a capitalist society, enterprises are well-informed about the situation of their domestic market and the quotations on the world market. With the help of telegrams, computers and so on, information is very quickly reported to the main company and the main company can make very quick decisions in accordance with the information.

If we want to do a good job in making operational decisions, we should also attach due importance to information. Departments which receive the quickest information are commercial, banking and financial departments. Facts have proved that more often than not, commercial, banking and financial departments are the first to discover problems in our economic work. Recently, Comrade Chen Yun said that he wanted to rehabilitate the financial and banking systems. Financial, banking and commercial departments are well-informed and respond sensitively. We could see the overall situation from these departments. Comrade Chen Yun spent much of his time on financial and commercial work in the past. It is from these departments that he discovered problems affecting the overall situation of the entire national economy. In the past, people often looked upon comrades doing commercial, financial and banking work as representatives of right deviationist thinking. This was because in the past we often did not act according to our capability, but set impractical excessive targets and sought unattainable high speeds. However, according to information of the commercial, banking and financial departments, our targets could not be realized, nor could the high speeds. They asked us to slow down the speed of construction a little and lower our targets a little. Consequently, they soon held different views from those people who wished to have a higher speed. The latter looked upon the former as being right deviationist and conservative.

In accordance with past experience, experience of the present readjustment and Comrade Chen Yun's opinions, we want to change this habitual way of seeing things which has been formed over many years. We should not indiscriminately look upon comrades in commercial, financial and banking departments as representatives of a conservative trend.

We cannot say that in commercial departments and in financial and trade departments, there is no one with conservative views, but it is not in conformity with the facts to look upon all of them as right deviationist and conservative. Among people engaged in production, there are also people with conservative views. We cannot say that all those who are engaged in production are without conservative ideas. As a matter of fact, financial and trade departments are better informed than production departments. For example, department stores know very well what kind of commodities are in short supply and what kind of commodities are overstocked; financial bureaus and financial departments know all about the income and expenditure of each day; banks know all about the daily deposits and withdrawals. Therefore, opinions put forth by financial and trade departments and personnel in financial and trade departments should not be and must not be ignored by comrades in charge of production and construction. Their right to speak should be respected by us. When we discussed plans in the past, the right of these departments to speak out was not sufficiently respected. We must also change this situation.

We are an enterprise management association. According to Marx's theory on reproduction and according to our positive and negative experiences, I think that in order to do a good job in enterprise management, we must understand both the process of production and the process of circulation. Those who are engaged in industry should also understand commerce, those who run factories should at the same time keep in contact with shippers, and producers should establish close ties with consumers. In this way, management will be closely integrated with operations and the level of our enterprise management can be greatly raised.

#### LIAOWANG CITES CHEN YUN ON ECONOMIC WORK

HK180812 Beijing LIAOWANG in Chinese No 3, 20 Jun 81 pp 2-5

[Article by Feng Jian [3301 0256] and Zeng Jianhui [2582 1696 1793]: "Strategic Turning Point in Economic Work"]

[Text]

[I]

We walked toward the Secretariat of the CCP Central Committee and some offices of the State Council along a paved path by the side of the lake of Zhongnanhai. Breezes carried the sweet fragrance of flowers. In the courtyard, Chinese flowering crabapples at Xifu, like clusters of rosy clouds, were just withering; violet lilacs, pink peonies, orange Chinese roses and red roses were all blossoming. Fire-red pomegranate flowers all popped out their heads to greet the red May. Light rays broke against the shore of the lake. Birds were flying and chirping in the green forest.

This was Zhongnanhai in early summer.

It was quiet in some offices. The staff on duty told us that since the Spring Festival, many leading cadres of the Secretariat and the State Council had gone to the front line to investigate and study the new situation and new problems emerging in economic readjustment work.

On his way back to Beijing, Comrade Hu Yaobang went to the Zhoushan Islands, the southern and central parts of Shandong. He had some understanding of the production responsibility system of agriculture and the diversified economy in the rural areas.

Comrade Zhao Ziyang went to some light industry and textile factories in Tianjin and studied how production and consumer goods was developed there.

Comrade Wan Li inspected 10 harbors along the coasts and sections of 17 main railway lines there.

Comrade Fang Yi went to the Panhuazhi iron and steel company and investigated the scientific research on the production of nonferrous metals.

Comrade Yu Qiuli went to the Pingdingshan coal mine, the Xishan coal mine and the Datong coal mine and investigated the tapping of potential in coal production.

While on leave for recuperation granted by the party organization, Comrade Hu Qiaomu visited Guangdong, Yunnan, Hebei and some other places to find out about the production situation in the factories and rural areas of these provinces.

Comrade Yao Yilin went to Shanghai to consult the delegates from various localities who had attended the national work conferences on industries and communications and discussed with them this year's major events--increasing production, practicing economy, increasing income and cutting expenditures.

Comrade Bo Yibo went to Shanghai, Jiangsu and investigated the questions regarding the reorganization and reform of the production of daily consumer goods and of the electronics and shipbuilding industries.

Further readjusting the economy and basically eliminating deficits and stabilizing commodity prices constitute this year's central tasks. As far as this year is concerned, readjustment primarily means cutting down the capital construction projects which are beyond the capacity of the state's financial and materials resources. However, in the long run, readjustment means that we thoroughly readjust the irrational economic structure and change the abnormal structure which emerges as a result of our undue emphasis on heavy industry and our neglect of agriculture and light industry. We should pay full attention to balancing the production of means of production and the production of means of consumption and change the irrational situation in which "heavy industry maintains a production cycle by itself while light industry is left to struggle on its own," so that heavy industry can serve the expanded reproduction of both the means of production and the means of consumption.

To further readjust the national economy was a major decision made by the central work conference after making a comprehensive estimate of the economic situation in December last year.

Over the past several months since the work conference, the Central Committee has continued to implement the production responsibility system and the diversified economy of agriculture, thus bringing about a new situation in agriculture. In industry, the production of consumer goods has been emphasized. The situation is gratifying. The data of the period from January to April issued by the State Statistics Bureau show that:

--As a result of the rapid growth of consumer goods, an unprecedented new situation which has never occurred over the past 20 years has emerged in the national economic structure. The share of light industry accounts for more than 50 percent of the total industrial output, surpassing that of heavy industry.

--The savings of the people in both the urban and the rural areas throughout the whole country have continuously increased. The total amount of retail commodities in the market and the purchasing power of the society have increased simultaneously. The withdrawal of currency from circulation basically meets with expectations.

--Although in the present season, the "new crop is still in the blade and the old one is all consumed," the prices of grain and oil in rural markets throughout the country have been reduced. The economy of both urban and the rural areas is lively.



## II

The 3d Plenary Session of the 11th CCP Central Committee is a great turning point in the party's history. From 16 to 25 December 1980, the party Central Committee held the central work conference at Zhongnanhai. This conference fundamentally corrected the party's guiding ideology governing economic work. This turning point is of great significance in our economic work.

In his speech in the afternoon of 16 December 1980, at the opening ceremony of the central work conference, entitled "Economic Situation and Lessons To Be Drawn," Comrade Chen Yun put forth 14 suggestions:

He stressed that we should proceed from China's national conditions in doing economic work. He said: "Our country has a population of 1 billion, its rural population being 800 million. We must bear in mind that we are carrying out construction in such a country." "We must understand this and take the difficulties involved into account."

He said: "It must be pointed out that the mistakes we have made in economic construction since the founding of the PRC are mainly leftist mistakes. The situation before 1957 was relatively good. But from 1958, these mistakes went from bad to worse. These were mistakes of the leadership."

He said: "The ultimate aim of economic construction is to improve the people's livelihood." However, "we must work according to our capability. It is impossible to do too many good things at one time."

He said: "The economic situation has rarely been so good since the founding of the PRC. However, we must also note the unfavorable aspect as well. Before 1980, commodity prices increased greatly and adversely affected the people's livelihood. If price increases are not curbed, the people will be very dissatisfied."

He said: In order to achieve the four modernizations, we should take "industry as our foundation and carry out transformations and import new technology on this foundation."

He said: "Using foreign capital and imported technology constitute a major policy. However, in doing this, we must be sober-minded." "The decision to import any item must be made with the participation of experts, through consultation between leaders and experts." "There must be a collective decision and on no account must such a decision be made by any single person, and this must be made a rule."

He said: This readjustment is a "sober and sound readjustment. It will enable us to consolidate our position and continue to make steady progress."

Following Comrade Chen Yun's speech, Comrade Zhao Ziyang also spoke on behalf of the financial and economic leading group under the central authorities. He talked on the question of the national economic readjustment from five aspects.

The holding of the recent central work conference was decided by the Standing Committee of the central Political Bureau. In accordance with Comrade Deng Xiaoping's suggestion that Comrade Chen Yun be asked to make a "programmatic speech," the central Political Bureau Standing Committee decided to ask Chen Yun to make the above-mentioned speech.

When the Standing Committee of the Political Bureau was discussing the plan for the coming year in the spring of 1979 after the 3d Plenary Session of the 11th CCP Central Committee, Comrade Chen Yun put forth the principles governing the national economic readjustment. In April 1979, on behalf of the CCP Central Committee and the State Council, Comrade Li Xiannian made a more comprehensive exposition of the principles of the national economic readjustment at the central work conference.

However, financial deficits, inflation and price rises occurred in 1979 and 1980 due to the lack of unanimity and deep understanding of the whole party, particularly due to the inefficiency and delay in the implementation of the principles governing the readjustments of capital construction and economic structure. This was the background and the reason for the holding of the central work conference in December 1980.

Participating in this central work conference were first secretaries of various provinces, autonomous regions and municipalities directly under the central government, leading cadres of various departments of the party, government and army under the central authorities. They totaled more than 200. The "14 suggestions" put forth by Comrade Chen Yun provoked strong repercussions among them.

Some comrades said that these "14 suggestions" sharply raised the existing problems and suggested the solutions of these problems and the direction of advance.

Some said that we often made leftist mistakes in our work in the past years and we aimed at high targets and high speed because we were divorced from our national conditions. From 1962 to 1966, we conscientiously implemented the correct principle of "readjustment, consolidating, filling out and raising standards," corrected the leftist mistakes in practice and rapidly revived and developed the national economy. But we did not conscientiously sum up experiences and lessons in the area of ideology. In the first 2 years after the downfall of the "gang of four," some unrealistic slogans were put forth again. Large-scale capital construction projects beyond the state's capacity were carried out and unrealistic and high targets were set for heavy industry. As a result, haste made waste and the already disproportionate relationships in our national economy were aggravated.

Some said that a correct understanding of our national condition was important in seeking unity of thinking within the party. We have established the socialist system and have provided favorable conditions for the development of our construction work. However, as we have a large population and a poor foundation, we should not be overanxious to achieve quick results in our economic construction. We should work according to our capability and make steady progress. We should realistically make clear our national condition and our difficulties to the broad masses of people, in order that they will make allowances for the difficulties of our state, understand our principles and have greater confidence in marching forward.

The participating comrades reached a common understanding after several days of lively discussions. The more they discussed, the more confident and energetic they became. In his speech on the last day of the work conference, Comrade Deng Xiaoping pointed out that Comrade Chen Yun's speech will "serve as our guiding principle for a long time to come."

### III

The "14 suggestions" were drafted by Comrade Chen Yun himself. While drafting these 14 suggestions, he held discussions with some leading comrades of the financial and economic departments and asked for their opinions. During the central work conference, he revised the original draft three times in accordance with people's opinions before it was finalized.

Comrade Chen Yun has been in charge of the financial and economic work of the central authorities since 1949. During the early postliberation period, there was a vicious circle of galloping inflation left over by the Kuomintang. The Kuomintang and the imperialists even predicted that the Chinese communists would not be able to clear up the messy situation. However, it took the young PRC only a little more than a year to basically solve these problems which the whole Chinese people were concerned about. Many of the plans to solve the problems were suggested by Comrade Chen Yun, then concurrently vice premier and chairman of the State Commission of Finance and Economy. These plans were discussed and decided by the central authorities.

During the 3 years of economic difficulty, financial deficits began to appear in new China. Comrade Liu Shaoqi held meetings and discussions at Xilou of the Zhongnanhai. At the "Xilou meeting," Comrade Chen Yun made a speech entitled "The Present Financial and Economic Situation and Certain Methods For Overcoming the Difficulties." This speech was unanimously approved by Comrade Liu Shaoqi, Zhou Enlai, Zhu De and Deng Xiaoping--Standing Committee members of the central Political Bureau in Beijing at that time. A copy was specially sent to Comrade Mao Zedong who was then in Wuhan. With his approval, the speech was distributed to all party organizations. It then became an important program for overcoming the difficulties during the 3 years.

According to some comrades who are familiar with the situation at that time, when Comrade Chen Yun was recuperating at the Zao Yuan, Yanan, in 1942, he meticulously studied Comrade Mao Zedong's works and telegrams. He then came to realize that the basic ideology in these works was: seeking truth from facts.

What should be done in order to "seek truth from facts?" Comrade Chen Yun generalized in the following way: "Take the overall situation into consideration, he meant that we should take into account not only positive factors but also negative ones. We should listen not only to correct views, but also to incorrect ones. By making comparisons, he meant that we should compare the left with the right and the earlier events with the later events. By thinking things through over and over, he meant we should do some rethinking of our initial plans, listen to differing views, try to visualize possible objections and repeatedly test the plans through practice. We should study repeatedly in order to have a good understanding of the situation. Only in this way can we do a good job.

Comrade Chen Yun summed up the methods of seeking truth from facts in the following way: "Do things in accordance with reality instead of merely with instructions from higher authorities or books." When he suggested that we should not do things in accordance with the instructions of higher authorities, we meant that the lower levels should not mechanically apply the instructions from the higher levels. Instead, they should apply them in accordance with specific conditions. When he suggested that we should not do things merely in accordance with books, he meant that we should seriously get at the essence of what is said in the books and then decide what is applicable to actual conditions. When he said that we should seek truth from facts, he meant that we should proceed from reality and find out the intrinsic law of objective things. Over the past decades, Comrade Chen Yun has adhered to the party's fine work style of "seeking truth from facts."

#### IV

As the major principles governing the economic readjustment have been laid down, the most important thing now is the implementation of these principles step-by-step.

Since the Spring Festival, the State Council has held more than 40 meetings, assigned and inspected various tasks regarding economic readjustment. All these meetings have been presided over by Comrade Zhao Ziyang or other vice premiers in charge of economic work and participated in by leading comrades of departments and committees concerned.

During February and March, in accordance with the State Council's principle that we emphasize creating famous brands and readjust and increase the production of consumer goods, Comrade Bo Yibo led more than 10 leading comrades of 8 departments and committees to carry out investigations in Shanghai and Jiangsu for more than 20 days. He then wrote a report setting forth his opinions and suggestions on increasing the production of "three major items," namely, bicycles, sewing machines and clocks and watches; on increasing the production of electronic products for daily use, handicrafts and building materials which are needed in the rural areas; and on readjusting the machine-building industry. Later, the State Council approved and transmitted this report to various localities in China.



At the conference held by the State Council on 15 April, Comrade Zhao Ziyang spoke for nearly 2 hours. This was the first time he had made a systematic exposition on the future development of China's national economy.

He said: "Through readjustment and reform and on the basis of economic stabilization, we should gradually rationalize our economic structure, rationalize the management system, rationalize the organization of enterprises and find a new road for the development of China's economy. This road will require less investment, lower accumulation rates and yield better effects." "We should establish such a model for China's economy; the economy will grow in a well-coordinated and stable manner. A benign circle will emerge in the economy, the people will enjoy increasingly great benefits, and the superiority of the socialist system will be more fully demonstrated."

Following this, he listed nine questions in great detail which need exploration and study:

1. Energetically promote the production of consumer goods.
2. Do a good job in energy conservation and exploitation.
3. Resolutely depend on existing enterprises.
4. Do a good job in the reorganization and transformation of the engineering industry.
5. Rationally divide the work between the coastal areas and the interior and give full play to their respective superior features.
6. Give full play to science and technology which help promote the national economy.
7. Economize on funds and make good use of foreign capital.
8. Open new avenues of employment.
9. Continue with the reform of the economic system.

According to him, these questions can be summarized in the following way: stabilize the economy, readjust the structure; depend on the old factories, carry out technological reform in order to tap production potential; reform the system and improve the effects.

At a recent conference, several leading comrades of the State Council emphatically pointed out: We should go deep into the realities of life, greatly enhance the efficiency of work and earnestly improve our work style.

Comrade Zhao Ziyang said: In order to achieve the four modernizations, we must stress efficiency. In order to be more efficient, we must pay attention to the concept of time. Decisions made by the State Council must be implemented earnestly and quickly instead of being delayed or argued back and forth. When Comrade Wan Li went to the front line to solve problems, he achieved good results. He made a breakthrough in the methods of work.

Comrade Wan Li said: I traveled to many places this time and I got a general feeling that our comrades should be inspired with enthusiasm. They can no longer assume the leadership if they stick to the outmoded conventions and bad habits of "starting to work at daybreak and to rest at sunset." What should we do when confronted with difficulties? We should place the interests of the people and the state above everything else and strive for the rights and benefits of the state and the people. At present, some people are "striving, and striving very vigorously, only for the rights of their own departments and their own localities." This is bad.

The task of economic readjustment is very complicated. All people throughout China are shouldering heavy responsibilities. We should go deep to the front line, earnestly study the new situation and resolutely, steadily and properly solve new problems. This is the new habit which leading comrades of the Secretariat of the CCP Central Committee and the State Council are advocating and taking the lead in putting into practice throughout China.

ECONOMY, CRIME COMPARED WITH FOREIGN COUNTRIES

HK240310 Shanghai SHIJIE JINGJI DAOBAO in Chinese No 39, 29 Jun 81 pp 1, 8

[Review: "In Carrying Out Comparison of Chinese and Foreign Economies It is Necessary To Make an All-Round and Comprehensive Analysis, and the Key Lies in Whether We Can Satisfy the Basic Needs of the Majority"]

[Text] The superiority of the socialist system and its tremendous vitality are not determined by people's wishful thinking. It is the result of having a solid foundation and the inevitability of history. However, in order to understand the superiority of the socialist system, we must carry out comprehensive and all-round observations of the chief aspects of social production and social life. If we judge things one-sidedly, we cannot arrive at any correct conclusions.

There is a prevalent international standard for evaluating the degree of a country's economic development by determining how much of the national production output value each individual gets on an average (hereafter called average individual income). For example, according to statistics published by the World Bank in April this year (refer to issue No 29), Kuwait, a petroleum-exporting country, was in first place, whereas the United States, one of the most economically developed countries, was in eighth place. Evidently, what this standard reflected was very one-sided. Because of our country's large population and because of restrictions of other historical conditions, the development of our production has been very slow for a long time. Although we have already scored unprecedented and brilliant achievements when compared with 30 years ago, we are still ranked under 100 if calculated according to the average individual income. Because of this, some people think that our great motherland is inferior to others in every respect. They are really "improperly belittling themselves."

If we carry out comprehensive and all-round observations and comparisons, particularly as viewed from the ability to ensure and satisfy the basic needs of the great majority of people, the degree of our country's economic development ranks about the 30th place. Besides, it will be among those at the top by the end of this century. A delegation of the World Bank came to our country on an inspection tour last winter. It acknowledged in its inspection report: Generally speaking, China's economy has increased relatively fast, its industry is rather developed, the income and distribution throughout the country is relatively even and it has been successful in satisfying the needs of the vast majority of its population.

This is even more prominent when compared with countries which formerly had a similar degree of economic development. For example, China and India have similar characteristics of being big countries with large populations and poor foundations to start with. The course of the past 30 years has clearly demonstrated that the speed of our country's economic development has been far greater than India's.

According to statistics, in 1950, the output of crude oil, raw coal, grain and cotton exceeded those of India but only by a small margin--from 15.4 percent (raw coal) to 106 percent (grain). But our country's output of electricity, coarse steel, chemical fertilizer, cement and cotton cloth were less than that of India. If we compare the degree of development of the above 9 kinds of products in the past 30 years from 1950 to 1979, our country's rates of increase were from 210 percent (grain) to 67,540 percent [as published] and India's rates of increase were from 130 percent (grain) to 11,200 percent (chemical fertilizer). Why was there such a big difference? The only important reason was that the socialist system had been established in our country.

Let us also discuss the problem of wages. Some people are envious of high wages in capitalist countries without seeing other aspects of this problem. For instance, in the United States, the average annual wage for industrial workers is \$8,043, which seems to be quite a largesum. However, the rent for an apartment totaling 30 square meters plus charges for water supply and heating amounts to \$2,400-\$3,600, charges for insurance, parking and maintenance of a car amounts to \$1,200 and the charge for staying 1 day in a hospital is \$100. Besides, one-fifth of the wages is used for paying taxes, and food and clothing are very expensive. With such high expenditures, not much is left from such a high wage.

Let us also look at the social order in these countries. According to statistics of a "white paper on crime" issued by the Japanese Government, 1,777 million criminal cases occurred in Japan in 1978 and the rate of crime based on the population was 161 for every 10,000 in population. In Germany, there were over 3 million criminal cases in 1978 and the rate of crime reached 600 for every 10,000. In London, there were 557,000 criminal cases in 1979 which was equivalent to those occurring and recorded in our country. The United States is a country with the highest rate of crime. Taking the average of the whole country, 1 man was killed every 24 minutes. Washington is a city with a population of only several hundred thousand but there were 56,330 major criminal cases in 1979, which was even more than all cases of the same nature in our country.

Although during the 10 chaotic years, our country's social order was seriously impaired by Lin Biao and the "gang of four" and the number of criminal cases greatly increased, our country was still considered to be one of the countries with the best social order in the world. The seriousness of crime in the capitalist societies is a reflection of their deep-rooted social contradictions. That the social order in our country can be so well maintained is precisely another proof of the superiority of the socialist system.

The establishment and development of socialism in China was the people's choice and was inevitable in history. Although the socialist system was seriously impaired by Lin Biao and the "gang of four" during the 10 chaotic years, neither of these two counterrevolutionary cliques was able to shake its foundation in the least. Since the third plenary session, a correct line and a series of principles and policies have been reaffirmed and established and our work has been continuously improving. The socialist system has struck deep roots in China, no one can ever uproot it. Anyone who stubbornly tries to violate objective laws is doomed to fail.

#### MAO REPORT TO SEVENTH CCP CONGRESS PUBLISHED

DW230438 Beijing XINHUA Domestic Service in Chinese 1459 GMT 20 Jul 81

[Text] Beijing, 20 Jul (XINHUA)--"The Working Principles of the Seventh CCP Congress" report by Comrade Mao Zedong at the preparatory session of the Seventh CCP Congress on 21 April 1945 was recently published in pamphlet form by the people's publishing house and will soon be sold throughout the country.

#### BRIEFS

HISTORICAL ATLAS--Beijing, 18 Jul (XINHUA)--"Selected Maps of the Chinese People's Revolutionary War"--an atlas of great reference value for studying CCP history and the PLA war history--will be distributed through Xinhua bookstores in various large and medium-sized cities throughout the country beginning 20 July. This atlas contains 35 maps about revolutionary wars during the 22 years from the Nanchang uprising to the founding of the PRC. Each map is explained in detail and by statistical information, some of which is made public for the first time. The atlas, published to mark the 60th anniversary of the CCP's founding and the 54th anniversary of the founding of the Chinese PLA, is compiled by the military museum of the Chinese people's revolution. [Beijing XINHUA Domestic Service in Chinese 1233 GMT 18 Jul 81 OW]

FLOOD INSURANCE--Beijing, 23 Jul (XINHUA)--The Chinese people's insurance company and the Sichuan provincial insurance company have sent two work teams to areas hit by torrential rains to handle payments on insured property losses. According to estimates by departments concerned, losses of property insured by the Sichuan provincial insurance company total about 40 million yuan, which is twice the amount of insurance premiums collected in the province. [Beijing XINHUA Domestic Service in Chinese 0724 GMT 23 Jul 81 OW]



ANHUI MEETING STUDIES PLENARY SESSION GUIDELINES

OW241329 Hefei Anhui Provincial Service in Mandarin 1100 GMT 23 Jul 81

[Excerpts] The Anhui Provincial CCP Committee called provincial, prefectural, municipal and county-level cadres to a meeting 3-20 July to relay and study the guidelines of the 6th Plenary Session of the 11th CCP Central Committee. A total of 468 people attended the meeting. Those attending included responsible party members of the provincial CCP Committee, the Standing Committee of the provincial People's Congress, the provincial people's government and the provincial CPPCC Committee; the principal responsible persons of the various prefectures, municipalities and counties and provincial departments, commissions, offices, sections and bureaus; principal responsible persons of institutes of higher learning; party committee secretaries of various farms under the jurisdiction of the province; and responsible persons of the provincial military district, PLA units stationed in Anhui, military subdistricts and county and municipal people's armed forces departments.

Zhang Jingfu, member of the CCP Central Committee and first secretary of the Anhui Provincial CCP Committee, relayed the guidelines of the sixth plenary session on behalf of the comrades from our provinces who attended the party's sixth plenary session. Comrade Zhang Jingfu described the proceedings of the sixth plenary session, the significance of the session, the highlights of the Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC, the election and reelection of leading members of the CCP Central Committee, and other issues as well as the guidelines of important instructions by responsible central comrades.

Second Secretary Gu Zhouxin and Secretaries Zhou Zijian and Wang Guangyu of the Anhui Provincial CCP Committee presided over three general meetings respectively and spoke.

In the course of study and discussion, participating comrades unanimously held that the party's sixth plenary session was a success which properly adopted the resolution and elected leading members of the CCP Central Committee. This plenary session, they said, is another of the very significant meetings held since the third plenary session. It has fulfilled the mission of correcting that which has been thrown into disorder in the guiding ideology. It will go down in history as a new milestone in our forging ahead into the future and in bringing about the resurgence of the Chinese nation.

Through the relay and implementation of the guidelines of the party's sixth plenary session, the party's thinking as a whole has become more unified and the pace more uniform. Our socialist cause has a great future and is full of hope. The attending comrades pledged to firmly support the Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC adopted by the sixth plenary session and the election and reelection of leading members of the CCP Central Committee.

In light of the guidelines issued by the central leading comrades, the meeting also discussed the selection and training of young and middle-aged cadres, arrangements for old cadres and how to do economic work successfully during the second half of this year. The meeting held that new achievements should be made in agriculture in order to win an overall bumper harvest this year. In the meantime, it is necessary to rapidly advance industrial production and adopt effective measures to ensure the fulfillment of this year's plan. The emphasis should be on the production of more consumer goods. To promote industrial production and finance and trade work, it is essential to put into effect systems of economic responsibilities like those introduced in agriculture. It is also necessary to fully utilize the initiative of the enterprises and the broad masses of workers and staff. Financial revenue should be grasped firmly and taxes owed by enterprises should be collected efficiently. More flexible policies should be adopted in operating industry, transport, finance and trade.

Planned coordination should be upheld by giving priority to regulating production through planning and through the market. Meanwhile, stress should be placed on the production of vegetables and subsidiary foodstuffs and their supply to the market in order to stabilize commodity prices.

The meeting held that the key to doing the above work well lies in improving and strengthening party leadership. It is also necessary to improve the work style of the party leadership, uphold democratic party life and strengthen collective leadership to ensure the smooth progress of work in all fields.

NANJING PLA UNITS STUDY CCP PLENUM RESOLUTION

OW241940 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 24 Jul 81

[Excerpts] According to a report from our station correspondents (Xia Cuoluo) and (Zhang Wenlong), the party committee of the Nanjing PLA units held an enlarged meeting from 9 to 24 July to earnestly study the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China and other documents of the 6th Plenary Session of the 11th CCP Central Committee. Those attending the meeting unanimously held that the sixth plenary session of the party and the documents adopted by the plenary session indicate that our party is more mature politically, more unified ideologically and more consolidated organizationally and that they would definitely wield a positive and far-reaching influence on the course of history of our party, state and army. They were determined to further unify their thinking on the basis of the resolution, work with great drive, unite as one in marching forward and make contributions to building a powerful, modern, revolutionary army.

Attending the meeting were the principal leading comrades of the units at and above the divisional level under the command of the Nanjing PLA units as well as responsible comrades of the Nanjing PLA units, the East China Sea Fleet and various military academies.

During the meeting the participants heard a report by Comrade Nie Fengzhi who relayed the guidelines laid down by the 6th Plenary Session of the 11th CCP Central Committee.

By reviewing the history, those attending the meeting have realized that what the resolution said about Comrade Mao Zedong's merit being primary and his errors secondary is extremely realistic and correct; that Mao Zedong Thought was, is and will remain our guide to action in the future; and that we still have to regularly study Comrade Mao Zedong's scientific works.

Guo Linxiang, first secretary of the party committee of the Nanjing PLA units, delivered a speech at the end of the meeting. In his speech he stressed the following five points:

1. List the study and implementation of the resolution as one of the major tasks for the second half of 1981.
2. Continue to train and promote outstanding middle-aged and young cadres.
3. Resolutely enforce the party's democratic centralism.
4. Further strengthen unity between the army and the government and between the army and the people so as to bring about a new outlook.
5. Have leading comrades visit basic-level units to further study new problems and sum up new experiences in order to strengthen all basic-level units.

JINAN PLA UNITS STUDY PLENARY SESSION DOCUMENTS

SK250628 Jinan Shandong Provincial Service in Mandarin 2300 GMT 24 Jul 81

[Excerpts] The party committee of the Jinan PLA units held an enlarged meeting 11-22 July to relay and study the documents of the 6th Plenum of the 11th CCP Central Committee. They studied and discussed ways to implement the guidelines of the sixth plenum from a realistic standpoint. Attending the meeting were members of the party committee of the Jinan PLA units and leading comrades at and above the regiment level of the Jinan PLA units, the North Sea Fleet and the Jinan PLA Air Force.

Xiao Wangdong, first secretary of the party committee of the Jinan PLA units, and Zheng Sansheng, Standing Committee member of the party committee of the Jinan PLA units, relayed the guidelines of the sixth plenum and gave an account of their experiences at the plenum. Rao Shoukun, second secretary of the party committee of the Jinan PLA units, addressed the meeting at its opening and closing.

By earnestly studying the documents of the sixth plenum, participants clearly understood the historical position of Comrade Mao Zedong and the great significance of using Mao Zedong Thought as our party's guiding ideology and strengthened their confidence in holding aloft the banner of Mao Zedong Thought. They all said: The evaluation of the contributions and mistakes of Comrade Mao Zedong contained in the Resolution on Certain Questions in the History of the Party Since the Founding of the People's Republic of China is just. It is absolutely right, and we feel enthusiastic in talking about it because it voices our innermost thoughts and feelings. We will treat Mao Zedong Thought with a Marxist scientific approach, enhance our initiative in studying the works of Mao Zedong and hold higher the banner of Mao Zedong Thought.

Comrades participating in the meeting held: The new leading nucleus of the party Central Committee is strong and energetic. This accords with the will of the people. By studying the documents of the sixth plenum, participants unified their thinking and understanding and enhanced their consciousness, uniting as one in looking ahead. They all expressed their determination to earnestly implement the guidelines of the sixth plenum and use the conclusion of the resolution to unify people's thinking and rally them to advance forward.

On the basis of relaying and studying the guidelines of the sixth plenum, the meeting also mapped out work plans for the PLA units for the second half of 1981.

BRIEFS

SHANGHAI INVESTMENT TRUST CORPORATION--Shanghai, 25 Jul (XINHUA)--The Shanghai Investment and Trust Corporation, formed to promote the introduction of foreign investment into Shanghai's commercial and industrial enterprises, was established here yesterday. The corporation, during its preparatory stages, has made contact with more than 100 foreign financial, industrial and commercial enterprises, as well as consulting agencies and leasing companies. In Shanghai, it has established links with financial, trading and industrial firms. The principal business of the new firm will be to promote, organize and participate in exchanges and cooperation of capital, technology and production among Shanghai and overseas companies. The corporation will select and introduce possible investors, organize negotiations and provide consulting services and requisite economic information. The president of the corporation's board of directors is Liu Jingji, president of the Shanghai Federation of Industry and Commerce. [Text] [Beijing XINHUA in English 0731 GMT 25 Jul 81 OW]



GUANGZHOU PLA COMMITTEE MEETING STUDIES RESOLUTION

HK250246 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 24 Jul 81

[Text] The Guangzhou PLA units recently held an enlarged CCP Committee meeting to study the Resolution on Certain Questions in the History of the Party Since the Founding of the PRC. The meeting seriously summed up experiences and lessons in connection with the reality of thinking and work, and resolved to improve leadership style and do a thoroughly good job of promoting the building of the units.

The comrades pointed out in their study: Seeking truth from facts is one of the three basic aspects of Mao Zedong Thought. To deepen understanding of this principle, the participants first recalled the various stages of party history and understood the importance of persistently seeking truth from facts from the lessons of success and failure. They then cited specific examples in military training, political work, construction work in preparedness against war, and other aspects, and thus further deepened their understanding.

(Zhao Shengchang), political commissar of one Guangxi border defense unit, said: Border defense fighters often face the tests of bitterness and happiness and of life and death. When the second battalion of one regiment was carrying out education in revolutionary heroism and patriotism in light of this problem, it squarely faced the current objective hardships and then went on to deal with the issues of for whom to join the army, suffer and fight. This truth-seeking ideological education laid a firm ideological foundation for the cadres and fighters to bring into play the revolutionary spirit of fearing neither hardship nor death. In the battle to guard Fakashan Mountain, the commanders and fighters stood their ground, heedless of their own life or death, for 13 days and nights, repulsed 9 enemy attacks launched in company, battalion and regimental strength, and wiped out over 300 of the enemy. Many fine heroic deeds were performed in this action. The battalion was awarded a collective first-class merit.

This incident showed that ideological education carried out in a truth-seeking way in peacetime fully manifests its efficacy in wartime. Seeking truth from fact is the fundamental point in doing a good job in political and ideological work. We must proceed from reality and rely on setting out the facts and speaking with reason to convince people. We must refrain from applying concepts divorced from reality to put pressure on people and humbug them.

As a result of this dialectical reflection on linking history with the present, the participants understood still more clearly that the cause of revolution and construction over the past 30 years has revolved around the basic axis of integrating the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution. Our cause develops rapidly when we unswervingly adopt an attitude of seeking truth from facts; otherwise, it suffers losses and even comes to a halt and retreats. We must act strictly in accordance with Comrade Mao Zedong's materialist line of understanding.

In studying the resolution, the comrades attending the meeting also discussed the relationship between persistently seeking truth from facts and carrying out the party's line, principles and policies. They unanimously pointed out that an uncorrected ideological line very greatly hinders the implementation of the party's correct line, principles and policies. In their study, the participants learned the discrepancies in their thinking and leadership style in light of the demands posed by the resolution. They proposed: We must destroy and establish three things, that is, we must destroy the bad work style of floating on the surface and taking things for granted, and establish the good style of going deep into reality and conducting investigations; destroy the lazy man's idea of relying on the organs to do things for us and making unearned gains, and establish the practical spirit of doing things ourselves, dissecting sparrows and summing up experiences; and destroy the low standards of doing things in a mediocre or passable way and establish the will to work hard to make the country strong and strive for the best.

The comrades said: We must set ourselves the demands of the basic spirit of the resolution in our future work. We must regularly maintain close contact with reality and the masses, base our work on the reality of our own units, constantly study and solve new situations and problems, and lead the units to resolutely fulfill the glorious tasks of carrying our construction and defending the four modernizations.

In his summation speech at the meeting Wu Kehua, second secretary of the Guangzhou PLA Units CCP Committee and commander, pointed out: Studying the resolution is one of the main tasks to be grasped tightly and well in the second half of the year. Leaders at all levels must apply the basic spirit of the resolution to unify thinking and guide action, get rid of the subjectivism and bureaucratism of sitting high above everyone and being divorced from reality and the masses, eliminate bad work styles such as boasting, telling lies and uttering empty talk, plunge into reality to investigate and study, and strive with lofty attitude and high efficiency to build a powerful modern socialist country and a modern revolutionary army.

#### HEAVY RAINS CAUSE FLOODING IN GUANGDONG PROVINCE

HK250353 Guangzhou Guangdong Provincial Service in Mandarin 2330 GMT 24 Jul 81

[Summary] Beginning on 20 July, rain fell throughout Guangdong, with 50 to 100 mm being recorded in Shaoguan, Meixian, Huiyang, Guangzhou, Shantou and elsewhere. Over 100 to 200 mm were recorded in Foshan, Zhaoqing and Zhanjiang Prefectures and Shenzhen and Zhuhai Municipalities. Torrential rainstorms hit some areas. Mountain torrents poured down and rivers rose rapidly. Five embankments along the Jiuzhou River in Lianjiang County collapsed, and 600 people were trapped by floods. Farmland was inundated in parts of Zhongshan, Taishan, Lianjiang, Enping and other counties; fishponds overflowed, houses collapsed, and damage was also done to various water conservancy projects.

After the disaster, party and government departments immediately sent work groups to seriously hit areas to find out conditions and organize the masses to drain flooded land and restore production.

A tornado hit 17 production teams on 6 brigades in (Longtang) and (Zhouxin) communes in Qingyan County in the morning of 24 July. Three people were killed and 54 injured, including 21 who were seriously injured. The tornado destroyed or damaged 364 houses.

#### PRECAUTIONS AGAINST FLOODS IN HENAN PROVINCE URGED

HK250511 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 24 Jul 81

[Station commentary: "The People of the Whole Province Must Mobilize and Be Constantly Prepared To Combat Heavy Rains and Floods"]

[Excerpts] Moderate to heavy rain has fallen in most parts of Henan since the end of June. Torrential rain has fallen in places. The province is now in the flood season. According to the forecast of meteorological departments, there will be heavy rain along the Huang, the Hai and other rivers during the flood season.

Henan is situated in the systems of the four great rivers--the Huang, Hai, Chang and Huai. Whenever any of these river systems has heavy rain, our province is greatly affected. In particular, people in places hit by sudden torrential rainstorms will encounter great problems caused by breaches in river embankments if they fail to pay attention. With the arrival of the flood season, the people of the whole province must mobilize, heighten vigilance and be ready at all times to combat heavy rains and floods.

This year the people of the province worked hard in concert, overcame repeated difficulties under party leadership, defeated the drought demon, and reaped a good summer grain harvest. At present the autumn crops are growing well throughout the province, and a bumper harvest is in sight. The people of the whole province will certainly be able to work in concert under party leadership, struggle hard amid difficulties, overcome possible floods and water-logging and reap a bumper autumn harvest.

A few places have failed to make sufficient antiflood preparations and intend to rely on luck. With this approach they will be in awful trouble and suffer unnecessary losses if there is heavy rain and flooding. Success or failure in combatting floods is related to the overall situation, and there must be no carelessness. It is necessary to carry out the following work before heavy rain comes:

First, the leading cadres of antiflood commands at all levels must stay at their posts and carry out their duties in strict fashion. They must inspect the state of antiflood preparations, solve the existing problems, and pay close attention to the development and changes in rainfall and the rivers. Second, they must hurry to complete projects for strengthening embankments in dangerous places and so on that are currently under construction. It is necessary to teach the masses to unite to control the floods. In water conservancy disputes between prefectures, counties, communes or brigades, it is necessary to take the overall situation into account, stress unity and good work style, and take the initiative to hold discussions aimed at solutions. The moment a major flood occurs, all levels must work together and avoid expanding the disaster.

#### HUBEI MESSAGES PRAISE VICTORY OF ANTIFLOOD EFFORT

OW241241 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 23 Jul 81

[Excerpts] According to HUBEI RIBAO, the Hubei provincial party committee and the Hubei Provincial People's Government yesterday sent a greeting message, a comfort letter and a letter of thanks to the Gezhouba engineering bureau, the antiflood headquarters of the Jing Jiang front, the Wuhan PLA units and the Hubei Provincial Military District for their victory in combating floods.

The greeting message reads: The dam's capability to withstand the great flood has once again demonstrated the wisdom of the Chinese people and the strength of the socialist system. The provincial party committee and the provincial people's government warmly greet and cordially thank all the comrades who took part in building the dam and in protecting it during the great flood.

The comfort letter says: The peak of the flood has now safely passed the Jing Jiang and a victory of decisive significance has been won in guarding against this huge flood.

The letter of thanks, in addressing the Wuhan Military Region, the Hubei Provincial Military District and all commanders and fighters of PLA Unit 33760 who took part in preventing and combating the flood, says: You have fostered the PLA's glorious tradition of thinking what the people think and being eager to meet the needs of the people. You have taken courageous and decisive action to support the struggle against flood and made a great contribution to winning victory over this huge flood. In this struggle you have deeply impressed our province's cadres and people with your bravery, tenacity and your display of our army's revolutionary spirit of fearing neither hardship nor death. With your actual deeds you have written another impressive chapter on how to support the government and cherish the people. On behalf of the people in Hubei, the provincial party committee and the provincial people's government hereby extend their heartfelt thanks and high respects to you. The people throughout the province are determined to emulate your revolutionary spirit and to show their gratitude for your warm assistance with new achievements in the four modernizations. Guided by the spirit of the 6th Plenary Session of the 11th CCP Central Committee, let us unite more closely and strive together for doing a good job in defending and building our country.



FURTHER REPORTAGE ON SICHUAN'S RECOVERY FROM FLOOD

## Tan Qilong's Inspection

HK260248 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Jul 81

[Summary] Sichuan Provincial CCP Committee First Secretary Tan Qilong visited disaster areas in Rongchang, Tongnan and Hechuan counties on 22 July. He saw the masses who had been hit by the disaster and the PLA personnel who made great contributions in relief work, and extended sincere regards to them. He heard reports on the extent of the disaster.

"After the flood, the Yongchuan Prefectural CCP Committee decided to divide up the land among the commune members for crash-sowing of late autumn crops, stipulating that whoever sows the land can reap the harvest. Comrade Tan Qilong agreed with this decision. He also clearly laid down that lightly-hit production teams should readjust their high production targets, and heavily-hit teams should have their agricultural tax reduced or waived, so as to ensure the masses' grain rations. Production teams hit particularly badly must divide up the land among the peasants as early as possible, and whoever sows the land should reap the harvest."

Comrade Tan Qilong said: "We have the correct guidance of the line, principles and policies of the third plenary session and the encouragement of the spirit of the sixth plenary session. We must [word indistinct] the problems, relax the policies, and base our work on reality and local conditions. Poor production teams should promote diversification and allow their members to get rich. We should let the masses see their hopes [words indistinct] socialism. We must believe that the peasants will persistently follow the socialist road."

Comrade Tan Qilong also said: "Although this flood has caused economic losses, we have won a great political victory. The party organizations at all levels have been tested. The cadres, masses and PLA have all been toughened. This has again forcefully testified to the truth that only the Communist Party and socialism can save China, and that the PLA is the people's army."

Tongnan County, which was seriously hit by the natural disaster, has readjusted its production responsibility system. Land where the floods have entirely or almost entirely destroyed the crops has been divided up among the peasants, and whoever sows that land can harvest the crops. The flood waters inundated 110,000 mu of farmland in this county. A total of 70,000 mu of crops were lost. There was therefore no way of continuing to implement the original responsibility system of linking remuneration to output. The new system has been instituted to ease the current difficulties.

## Circular on Victory Rally

HK250324 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Jul 81

[Excerpts] The Sichuan Provincial CCP Committee and the Sichuan Provincial People's Government issued a circular on holding a rally to celebrate the victory in combating floods and doing relief work. The circular said: With the earnest concern of the party Central Committee and the State Council and under the leadership of party committees and governments at all levels, our sweeping efforts to fight floods and carry out disaster relief work are being realized in the whole province and an initial victory has been won.

In the course of struggling against floods, thousands of advanced collectives and heroic and exemplary figures in all prefectures and on all fronts have emerged. They faced danger fearlessly, rescued people at the risk of their own lives, put public interest before self-interest and put others before themselves. When one locality was affected by floods, it received support from all localities.

With a view to commending progressive deeds, giving impetus to the construction of socialist spiritual civilization and encouraging all people throughout the province to win a new victory in fighting floods and doing relief work, the provincial CCP Committee and the provincial government has decided to hold a rally in Chengdu prior to this year's national day to celebrate the victories in fighting floods and doing relief work throughout the province.

The circular demanded: In close connection with the current realities of fighting floods and doing relief work, all prefectures and all fronts must universally carry out various activities to commend, assess and select the advanced collectives and exemplary figures. Through the power of examples, they must inspire the enthusiasm of all people throughout the province and propose measures for developing relief work and other types of work.

To greet this rally, the provincial CCP Committee and the provincial government hope that, in response to the call of the party Central Committee and the State Council and under the guidance of the spirit of the 6th plenary session of the 11th party Central Committee, the cadres and the people of all nationalities throughout the province will work with one heart and one mind, further carry forward the dauntless revolutionary spirit, fight the natural disaster so that a bumper harvest can be reaped, production work can be protected, and everything possible can be done to promote the economy and make up for the losses caused by the floods.

At present, the main tasks in the affected areas are to actively make good arrangements for the people's livelihood, revive production as quickly as possible and rehabilitate their homeland. The unaffected areas must establish an overall viewpoint, go all out, work out measures, step up production and make more contributions. In light of the realities of their own work, all walks of life and all trades must set specific demands and contribute toward fighting floods and doing relief work.

The circular pointed out: As long as we are determined, fear no hardship, are united and struggle hard, we can surely win an all-round victory in fighting floods and doing relief work.

#### Work Groups' Assistance

HK250910 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Jul 81

[Summary] "The economic committee of Mianyang Prefecture has sent out work groups to go deep into the flooded areas to fight floods, and to rapidly deal with emergencies and organize the revival of production. Together with cadres of the bureaus concerned, the chairman and vice chairmen of the economic committee have respectively led office cadres of the economic committee to Guangyuan, Wangcang, Jiangyou, Suining, Deyang and Mianzhu, which are industrial centers seriously affected by floods, to pay comfort visits to the masses and to help the enterprises whose production has been suspended and solve the problems concerning the revival of production. These floods have greatly damaged industrial production, communications and transport in Mianyang Prefecture. In the course of organizing the revival of production, the work groups have firmly grasped the production and supply of energy resources and communications and transportation which have an important bearing on the quick revival of industrial and agricultural production in the whole prefecture. Led by the chairman of the economic committee, the work group arrived in Guangyuan and Wangcang and concentrated its efforts on repairing coal mines, power plants and power stations. The work group has strived to revive the production and supply of coal and electricity.

"The cadres and workers of the factories and enterprises which were flooded on both sides of the Tuo River in Neijiang Prefecture immediately set about the revival of production after the flood waters subsided.

"They are determined to make every effort to reduce the losses brought about by the natural disaster and to organize production as quickly as possible." Immediately after the flood waters subsided, leading comrades of the Neijiang Prefectural CCP Committee, the administrative commissioners's office and all bureaus in charge of industry passed on the sympathy letters from the provincial CCP Committee, the provincial government, the economic committee and the administrative commissioner's office to the staff and workers of the factories which were affected by the natural disaster. They also made specific arrangements for flood control, relief work and revival of production.

Many factories which were not affected by the national disaster have actively supported work being done in the flooded factories.

#### Circular on Public Health

HK260257 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Jul 81

[Text] The Sichuan Provincial Patriotic Public Health Committee and Public Health Department have issued an urgent circular demanding that public health departments throughout the province do a good job of antidisease and public health work in the disaster areas. The circular said: There has recently been serious flooding in many parts of the province, and we are now in the hot season. Epidemics are likely to occur after this disaster. The circular demanded that the province make every effort to save and cure patients and launch the masses to unfold a shock patriotic public health drive. It is necessary to monitor epidemics, carry out extensive public health propaganda and education, and do a good job in mass [words indistinct]. Public health departments in disaster areas should take the sixth plenary session spirit as their motive force, closely rely on the masses, and vigorously launch prevention and cure of illness in the disaster areas, so as to protect the masses' health for resuming production and rebuilding their homes.

#### Damage Statistics

OW250834 Beijing XINHUA in English 0810 GMT 25 Jul 81

[Text] Beijing, 25 Jul (XINHUA)--More than 1.5 million people were rendered homeless, 753 killed, 28,140 wounded and 558 missing when Sichuan Province was hit last week by the worst flood since 1949. Losses of property caused by the July 12-15 flood are estimated at 2,000 million yuan (about \$1,136 million). Ten million mu (15 mu in one hectare) was seriously affected by the flood and crops on one fifth of this were completely destroyed. These and other figures were cited by Deputy Governor He Haoju of Sichuan Province when, on July 22, he briefed Vice-Premiers Wan Li, Yao Yilin and Yang Jingren on the effects of the flood. Wan Li said Sichuan "should rely mainly on itself" to overcome the difficulties but promised to solicit support and assistance for it from ministries and other departments under the State Council.

Flood waters began to subside on July 18. From July 12 to 15, downpours hit Sichuan Province and in an area of about 38,000 square kilometers. Rainfalls were measured anywhere between 100 and 400 millimeters in hours. [sentence as received] Fifty-one cities and towns, including Chengdu, the provincial capital, and Chongqing, the biggest industrial center in south China, were affected when major rivers overflowed.

Other facts cited by the deputy governor were:

- More than 90,000 production teams with a population of ten million were inundated;
- Farm houses with 1.28 million rooms collapsed;
- 80 major highways and 483 inter-county highways were destroyed;
- Traffic of Chengdu-Chongqing, Baoji-Chengdu and Chengdu-Kunming railways were cut off for anywhere between 10 and 20 days;
- 1,754 factories were flooded and suspended production.



JILIN FIRST SECRETARY REVIEWS PLENUM, RESOLUTION

SK270635 Changchun Jilin Provincial Service in Mandarin 2200 GMT 26 Jul 81

[Excerpts] According to JILIN RIBAO, the Jilin Provincial CCP Committee convened an enlarged Standing Committee meeting from 14 to 21 July to relay, study and implement the spirit of the 6th Plenary Session of the 11th CCP Central Committee. In addition to Standing Committee members of the provincial CCP Committee, attending the meeting were leading party comrades from the provincial People's Congress Standing Committee, the provincial people's government, and from the provincial CPPCC Committee; and principal leading comrades from the party committees of various municipalities, prefectures, autonomous prefectures and counties, the provincial level units at or above department level and from higher educational institutions, major plants and mines and scientific research units, 460 persons in all.

At the meeting Comrade Wang Enmao, first secretary of the provincial CCP Committee, systematically relayed the sixth plenum's spirit. His report consists of the following three parts: 1) on the basic situation of the sixth plenum; 2) on the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China and 3) on the personnel changes of the central authorities. He stated: The 6th Plenum Session of the 11th CCP Central Committee is a milestone of great significance in our party history. The plenum has implemented the line, principles and policies set forth since the 3d Plenary Session of the 11th CCP Central Committee, has upheld dialectical and historical materialism and has correctly analyzed in a seeking-truth-from-facts manner the party's 60-year history and the 32-year history since the PRC's founding.

The plenum has been full of a democratic atmosphere in discussing and adopting the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China. The resolution is aimed at fostering the historical position of Comrade Mao Zedong and his Thought, thoroughly appraising the tremendous achievements scored in the 32 years since the PRC's founding and summing up experiences and lessons gained in the party's work in a seeking-truth-from-facts manner. The resolution has provided the political and ideological foundation for realizing unity in the entire party, army and the people among various nationalities throughout the country. In light of this political and ideological foundation, there will be a reliable and powerful guarantee in advancing the stable and united situation. The approval of central leading personnel changes at the sixth plenum will play an important role in strengthening central collective leadership and unity on the basis of Marxism and ensuring the full implementation of line, principles and policies set forth since the 3d Plenary Session of the 11th CCP Central Committee.

As for the issue of orienting our work in the future, he contended that we should unify our understanding, enhance our unity, heighten our spirit, focus the party's work on the program to achieve socialist modernization, push forward the national economy and do a good job in building up a socialist spiritual civilization.

Participating comrades unanimously held: The leading personnel changes of the CCP Central Committee are totally correct. The transfer of Comrade Hua Guofeng's post is also correct and timely. The work to transfer younger and capable comrades to central leading posts has fully demonstrated the long-term view of older revolutionaries and has proved that we have enough successors for our party's cause. Organizationally, the plenum has protected the continuity of the party's line, principles and policies set forth since the 3d Plenary Session of the 11th CCP Central Committee, has taken the lead in removing the practice of stressing seniority, of selecting cadres according to age and the existing leading personnel's system of lifelong tenure and has set an example in picking up and training successors for the future. All of this is of far-reaching significance in the future of our party and country.

Participating comrades unanimously held: In our party's annals, the 6th Plenary Session of the 11th CCP Central Committee is a milestone of great historical significance. It has provided a political and ideological foundation for the entire party, army and the people among various nationalities throughout the country to unite with one heart and one mind to look to the future.

It has set forth a clear orientation for the people to engage in the four modernizations with one heart and one mind. It has also heightened the party's spirit, has set people's mind at rest and has enhanced the people's confidence in achieving the four modernizations. The plenum which has fulfilled the historical task for bringing order out of chaos by building up a guiding ideology has become history and has added a new and glorious chapter to the party's annals by exemplarily exercising democratic centralism and developing the party's fine tradition of seeking truth from facts. It has proved again that our party is mature, orthodox, highly responsible to the people, totally reliable and worthy of being called a great, honorable and correct party.

LIAONING RIBAO ON REEMPLOYMENT OF RETIRED WORKERS

HK241328 Shenyang LIAONING RIBAO in Chinese 8 Jul 81 p 2

["Work Research" column by Fan Chuanyao [5400 0278 1031]: "We Must Strictly Control the Reemployment of Retired Personnel"]

[Text] Generally speaking, educated and trained by the party for a long time and tempered in the practice of production, the retired workers have certain technical specialties and professional abilities and a certain degree of socialist consciousness. After retiring, some of these workers do not want to remain idle at home. Instead, they enthusiastically participate in various public welfare activities, willingly display their remaining vigor and perform voluntary services for society. These good ideas and traditions should be carried forward and deserve further promotion. To promote the development of production, enterprises in cities and towns have engaged some retired personnel with particular technical specialties and abilities as technical instructors and advisers to pass on technology and train young people. Some of the retired workers even operate individual business undertakings. This has played a positive and significant role in opening up new resources for production and services, providing work for young people awaiting employment, developing the economy, enlivening the market and satisfying the needs of society and the livelihood of the people.

However, it must be seen that in the past 2 years, there have cropped up some problems in the management and utilization of social labor power. This is mainly manifested in the fact that on the one hand, large numbers of young people are awaiting employment, and on the other hand, relatively great numbers of retired personnel have been reemployed, thus occupying some employment opportunities. In some enterprises in cities and towns, the number of reemployed retired personnel is much greater than that of newly employed young people. Take Tiexi District, Shenyang for instance. By the end of April 1981, the number of those employed in neighborhood enterprises throughout the district was 14,052, of which the number of the reemployed retired personnel was 6,598, constituting 46 percent of the total, while that of young people awaiting employment was 3,788 or only 26 percent. Among the retired personnel who were employed in the neighborhood, about half of them have technical specialties and have played a backbone role, and the other half have no technical specialties and engaged only in simple manual labor. Some small factories and commercial services and shops which do not require any specialized skills still employ retired personnel, accounting for more than half of the total number of those employed. Another problem in this respect was that the remuneration given to the retired personnel by the employing units was too much, surpassing the wages their younger counterparts by 200 percent, 300 percent or even 400 percent. This not only affects the stability of the present ranks of staff and workers, but also affects their enthusiasm for doing work.

At present, the main contradiction in the employment of labor power in cities and towns is not the reemployment of retired personnel but providing employment for large numbers of young people awaiting jobs. In the current readjustment of the national economy, to solve the problem of providing employment for the labor power in cities and towns, the state cannot launch more capital construction projects or set up more new factories, and the situation of the personnel in the existing enterprises under the system of ownership by the whole people is in a state of saturation.



So in the days ahead, the primary way for providing employment opportunities is to develop the collective and individual economies such as neighborhood enterprises. To develop production and commercial service trades, it is necessary for the neighborhood enterprises to engage a small number of the retired personnel who have technical specialties and experience in business management to play a backbone role in setting an example and training young people. The situation in which the proportion of retired personnel reemployed in neighborhood enterprises is too large should be changed step by step. Various departments and units concerned should strictly control the reemployment of retired personnel so as to provide more jobs for young people awaiting jobs. Here are some of the ways to do this work well:

First, districts and streets should integrate the development of the neighborhood production and commercial services with the employment of young people awaiting jobs, and take the latter as an important task for the districts and streets. In developing neighborhood enterprises, priority should be given to providing employment of young people awaiting jobs. The relation between reemployment of retired personnel and employment of young people awaiting jobs should be correctly handled. In recruiting personnel, neighborhood enterprises should take the overall situation of solving the labor employment in cities and towns into consideration and employ fewer retired personnel and more young people awaiting jobs. They should create conditions to run neighborhood enterprises well and draw young people awaiting jobs to this source of employment.

Second, the management of labor power of neighborhood enterprises should be strengthened. In utilizing retired personnel, the policy should be that of only engaging those who have technical specialties and experience in business management. The personnel to be employed should be able to play a backbone role in neighborhood enterprises to enhance conditions and help employ more young people. They should not engage the retired personnel as ordinary laborers.

Third, the wages for the reemployed retired personnel with technical specialties and experience in business management should be the same as their younger counterparts in the same positions or a little higher, and few retired personnel with higher technical skills are allowed to be rewarded with a small subsidy for their special skills. The situation in which some units pay wages that are too high to the retired personnel should be resolutely changed, and the situation in which some units vie against one another in engaging retired personnel by means of granting handsome payments should be resolutely corrected.

Fourth, it is essential to strengthen control and leadership over retired personnel. Ours is a predominantly industrial province. The ranks of staff and workers are large. The ranks of retired personnel in neighborhoods in cities and towns are growing in number. It is very important to do a good job of the management and leadership work among retired personnel. The cities, districts and streets should set up mass organizations of retired personnel and organize the retired personnel to unfold and engage in safeguarding social order, educate children and youths, carry out public welfare activities beneficial to society and the country, such as public sanitation and the movement of "five stresses and four beauties" and help their neighborhoods do mass work.

#### SHENYANG PLA UNITS IMPROVE MILITARY TRAINING

SK250634 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 24 Jul 81

[Excerpt] This year the Shenyang PLA units, proceeding from practical needs, have vigorously strengthened military training. They now have many outstanding instructors and expert marksmen and artillerymen. The training standards and quality of PLA soldiers have improved markedly. Leading cadres at all levels have passed on their experiences in training new people on the front line. Leading comrades, including Li Desheng and First Political Commissar Liao Hansheng, have visited border troops, garrisons and field forces to inspect basic training, military drills, marksmanship, [words indistinct] and tank drills. They talked with cadres and fighters and passed on their training experience to stimulate the soldiers' enthusiasm.

Under the guidance of leading comrades at all levels, many cadres and outstanding instructors who can explain, perform and teach techniques and conduct ideological work have emerged. This has enhanced the basic training of PLA soldiers.



GANSU CCP COMMITTEE SPONSORS MEETING ON PLENUM

SK250620 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 23 Jul 81

[Text] According to GANSU RIBAO, on the morning of 22 July the Gansu Provincial CCP Committee sponsored a meeting in the auditorium of the provincial people's government to relay the spirit of the 6th Plenary Session of the 11th CCP Central Committee. The meeting was presided over by Wang Shitai, Standing Committee member of the provincial CCP Committee. Attending the meeting were responsible persons of the provincial CCP Committee, including Feng Jixin, acting first secretary of the provincial CCP Committee; Yang Zhilin, adviser to the provincial CCP Committee; Wang Dingxiang, secretary of the provincial CCP Committee; and (Chen Xu), deputy secretary of the provincial CCP Committee.

Also attending were nonparty cadres from organs at or above country level, senior intellectuals, democratic personages, Standing Committee members of the provincial People's Congress currently in Lanzhou, provincial CPPCC Committee members, permanent members of various democratic parties, professors and associate professors, researchers and associate researchers, head physicians and deputy head physicians, doctors and senior engineers and engineers--more than 1,000 persons in all.

QINGHAI'S LIANG BUTING ADDRESSES PARTY MEETING

SK250530 Xining Qinghai Provincial Service in Mandarin 1100 GMT 22 Jul 81

[Excerpts] The enlarged Standing Committee meeting of the Qinghai Provincial CCP Committee concluded on 22 July after a 10-day session. The meeting relayed the guidelines of the 6th Plenary Session of the 11th CCP Central Committee, studied important documents of the session and discussed ways and made arrangements for publicizing and implementing the guidelines in the province.

Leading comrades of the provincial CCP Committee including Liang Buting, Zhang Guosheng, Zha-xi-wang-xu and Zhao Haifeng attended panel discussions.

Before the meeting ended, on behalf of the provincial CCP Committee, Comrade Liang Buting delivered a speech entitled "Use the Resolution as a Weapon To Renew Our Ideas, Spirit and Work."

In his speech, Comrade Liang Buting gave concrete opinions on issues which need to be emphasized in studying and implementing the guidelines of the 6th Plenary Session of the 11th CCP Central Committee.

The first issue he dwelt on is using the guidelines of the resolution to eliminate the influence of leftist ideas, guard against the interference by rightist ideas, enhance political consciousness and unify thinking. He said: The most distinguishing feature of the resolution is that it has a dialectical materialist and a historical materialist point of view, implements the principle of seeking truth from facts and the spirit of opposing leftists and guarding against rightists and manifests the communist scientific attitude of upholding truth and correcting mistakes. Therefore, it gives us confidence and strength and is conducive to our continuous advance.

He said: Since the CCP Central Committee work conference last year, ideological understanding of cadres and the masses has been substantially enhanced and situations in all fields have developed soundly. However, various erroneous ideas exist in our party. They are caused mostly by the influence of leftist ideas and partially by the harrassing of rightist ideas. We must never underestimate the influence of leftist ideas because it has long existed in our party and has an impact in all fields.

The communique of the 6th Plenary Session of the 11th CCP Central Committee states that our party has fulfilled the historic mission of setting right those things which have been thrown into disorder in guiding ideology.

In other words, our party has eliminated the left influence and corrected left errors in guiding ideology. To fulfill the mission of setting right things which have been thrown into disorder in guiding ideology, every comrade must conduct a thorough investigation on the influence of leftist ideas while studying the resolution of the sixth plenary session. In accordance with the situation in our province, leftist ideas manifest themselves as follows: the influence of personality cult remains among some party members and cadres; the erroneous "two whatevers" idea has certain influence; our party's mistakes in guiding ideology over the past 32 years, especially the expansion of the class struggle and the impetuosity and premature advance in economic construction are not thoroughly understood; past issues are not handled in a proper manner; the major policy decision of shifting work focus to economic construction and a series of policies are not thoroughly implemented; and leftist rules and old ways are pursued under new situation. Nevertheless, we must not ignore the impact of rightist ideas which emerged after the smashing of the gang of four and have certain markets in the party among relatively young cadres. The manifestations of rightist ideas are: denying that Comrade Mao Zedong's merits are primary and that Mao Zedong Thought is significant in guiding ideology; negating all achievements of 23 years since the PRC's founding; negating the superiority of the socialist system; ignoring the great achievements scored by the Chinese People over 60 years of revolutionary struggle under the leadership of our party; and doubting and opposing the four basic principles.

Comrade Liang Buting noted: Though leftist and rightist ideas manifest themselves differently in concrete issues and influence comrades to different extents, they are equally harmful to our ideology and socialist undertakings. All comrades bear the same task to voluntarily eliminate or guard against ideological influence from both sides. Adhering to the principle of seeking truth from facts, we should correct whatever deviations we might spot. When correcting one deviation, we should also guard against being influenced by the other. [words indistinct] We should judge every case as it stands and not be quick to label it as either leftist or as rightist.

The second issue Comrade Liang Buting dwelt on is using the guidelines of the resolution to eliminate the influence of all erroneous ideas including individualism and factionalism, enforce the party discipline and enhance the unity of the party. He said: Unity is life to the party and a basic guarantee for new success in the socialist modernization.

He said: Many negative factors harmful to unity exist in the party and the rank of cadres. The pernicious influence of the 10 year internal disorder caused by the Cultural Revolution on the party's unity and unification have not been thoroughly eliminated. Individualism, selfish departmentalism, decentralism, sectarianism and anarchism exist in varying degrees in some localities and units. We must enhance our understanding by conscientiously studying the resolution of the sixth plenary session and thoroughly eliminate those negative factors harmful to unity and unification.

Approaching the issue of strengthening the party's unity, Comrade Liang Buting emphasized the unity of nationalities. He said: Since our province is multinational, improving relations among nationalities and enhancing national unity is extremely significant. We must exert further efforts to implement the party's policies toward nationalities and religions, respect the autonomy of minority peoples, appropriately solve unsettled problems and eliminate all factors unfavorable to national unity. Cadres of Han origin and minority cadres must respect and emulate each other. Minority cadres of different nationalities should enhance their unity and never divide themselves along ethnic lines. All cadres, no matter what their origins are and where they came from, must adhere to the party's basic principle, proceed from the interests of the people of all nationalities, work hard to develop economic and cultural undertakings in minority areas and make due contributions to promoting the four modernizations in Qinghai Province.

The third issue Comrade Liang Buting dwelt on is using the guidelines of the resolution to eliminate all unhealthy and passive practices and exert ourselves to work hard.

Comrade Liang Buting said: The 6th Plenary Session of the 11th CCP Central Committee has corrected those things which have been thrown into disorder in guiding ideology. Therefore, from now on our efforts should be funneled into economic construction. The task facing us is extremely arduous. On the road of our advance many difficulties are waiting. Leading comrades must exert themselves, go all out regardless of danger to their life and strive to promote the achievement of the four modernizations.

However, some cadres are inert, dispirited, passive and pessimistic. Some seek pleasures, haggle over personal gains and losses, compete with others for higher pay but not for more work. Some even overtly ask for official positions, money, fame and position. Some are contented, pessimistic and dejected. They do not have hope nor confidence in anything. Some refuse to study and investigate new situations, offer new ideas and solve new problems. There are also some persons who, instead of working hard, do nothing but read newspapers, spread rumors, make complaints and swear at people all day long. These unhealthy practices do not dominate the rank of cadres, but distract the people and sap their morale. Like germs, they corrode our cadres, seriously corrupt party work style and impede progress of the four modernizations. Party committees at all levels must criticize and educate dispirited persons in a strict manner to save them from indifference, laziness and pessimism and encourage them with the guidelines of the resolution. All party members especially leading cadres must have a strong dedication to the revolution and be eager to make progress. In the four modernizations, we must bring into play the zeal and death-defying spirit of the revolutionary war, despise hardships, quietly immerse ourselves in hard work, play an exemplary and vanguard role on all fronts and educate and influence the masses with our deeds.

Comrade Liang Buting dwelt on the issues of implementing the spirit of the 6th Plenary Session of the 11th CCP Central Committee and using the guidelines of the resolution to improve the party leadership, strengthen the building of leading bodies, and select and train middle-aged and young cadres. In conclusion he noted: Under the guidance and encouragement of the spirit of the 6th Plenary Session of the 11th CCP Central Committee, all of us must unify our thinking, rally together, enforce discipline, exert and devote ourselves to work to enable the party to face the masses with a new look. We should prove with our deeds that our party is united, vigorous, upright and full of vitality and it able to organize and lead the people of all nationalities to strive to fulfill the grand historical task of achieving the socialist modernization set forth by the 3d Plenary Session of the 11th CCP Central Committee.

Prior to the closing of the meeting, Zhang Guosheng and Zha-xi-wang-xu, secretaries of the provincial CCP Committee and Zhao Haifeng, deputy secretary of the provincial CCP Committee, delivered speeches on ways to do well in our future work.

#### BRIEFS

**QINGHAI CONSUMER GOODS**—Qinghai Province has increased production of consumer goods. In the first 6 months of 1981, provincial light and textile departments and defense industry enterprises had produced 2,031 washing machines, 20,329 electronic watches and 10,876 radios, a 240 percent increase over the corresponding 1980 period. The output of knitting wool was 4.9 million tons, a 27.3 percent increase. The output of leather shoes was 450,000 pair, a 240 percent increase. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 11 Jul 81 SK]

**XINJIANG PARTY MEMBER RECRUITMENT**—Since the 3d Plenary Session of the 11th CCP Central Committee, CCP organizations at all levels in Xinjiang Autonomous Prefecture have started training intellectuals to be party members. According to departments concerned, in the past 3 years, 6,395 party members were recruited among intellectuals. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 20 Jun 81 HK]



RADIO COMMENTS ON AMBASSADOR-DESIGNATE HUMMEL'S REMARKS

## PRC Arms Sales

OW261049 Taipei International Service in English 0100 GMT 25 Jul 81

[News commentary: "Hummel's Remarks"]

[Text] Arthur Hummel Jr, the U.S. ambassador-designate to the Peiping regime, spoke of the proposed arms sales to the Peiping regime as a logical and even inevitable consequence of the expanding ties between the United States and the Chinese communists.

He said Peiping would buy arms from America's allies if it cannot get the weapons from the United States. He also advanced the argument that the Soviet Union has no reason to see U.S. arms sales to Peiping as a threat to itself because the objective is to make the Peiping regime strong enough to become a deterrent against the Russians.

One cannot help questioning Mr Hummel's reasoning on this topic. First of all, arms sales to Peiping is neither logical nor inevitable. If the Peiping regime belongs to the Free World camp, sharing the same political, economic system with the U.S., things would be different.

The trouble is that that regime is every bit a communist dictatorship and is still dedicated to the destruction of the United States. The current relationship between Washington and Peiping is at best a marriage of convenience. There is nothing logical about it, not to mention a military relationship. Nor is it inevitable for the United States to sell arms to the Chinese communists.

For one thing, U.S. arms sales to its real allies in the Free World is a much better insurance for its own security than arming a potential enemy.

For another, the Chinese communists have no money to buy American arms. And that is why they have so far not asked for any U.S. arms sales despite U.S. expression of willingness. For the same reason the United States does not have to worry that Peiping may buy arms elsewhere instead of the United States.

The Peiping regime has been talking about buying weapons from the West for years. So far not a single deal has been concluded.

It is also questionable that the United States can produce enough hardware for the 4-million-man Chinese communist horde while undertaking a massive military buildup itself.

As to the Soviet reaction, it is quite illogical for Mr Hummel to say that Moscow will not see U.S. arms sales as a threat to its security. The Soviets have said time and again that the United States is playing a very dangerous game in this regard.

If Mr Hummel's views and those of other so-called China card players are translated into facts the return of the cold war era would be a certainty and even a nuclear holocaust cannot be ruled out.

## Taipei-Peiping 'Problems'

OW261110 Taipei International Service in English 0100 GMT 26 Jul 81

[News commentary: "Solution of the China Problem"]

[Text] In our commentary yesterday, we questioned the advice of Mr Arthur Hummel for U.S. arms sales to Communist China.

Born in China of U.S. parents and a former diplomat stationed in free China, Mr Hummel is essentially a Sinologist. It is in Washington's [word indistinct] that he is so.

In his testimony at the Senate Foreign Relations Committee Wednesday he said the U.S. should not interject itself into the problems existing between Taipei and Peiping because these are problems for the Chinese themselves to solve.

In offering this advice Mr Hummel showed that he has not spent his long years in China in vain. He understands that the Chinese people do not need others to solve their problems for them.

Only a few days ago the Republic of China's Premier Sun declared that the problems of China will be solved by the Chinese people themselves.

Unfortunately, the Carter administration made a wrong move in this respect. By recognizing the Peiping regime as the representative of China the U.S. was imposing its will on the Chinese people. The people of the Chinese mainland never accepted the communist rule voluntarily. The communists seized power by an armed insurrection supported by the Soviet Union. No free elections have ever been held on the mainland since 1949. The communist regime has been tucked in power by the gun and its secret belief. The people never had the slightest right to express their views about the affairs of the state.

After suffering for over 31 years under the communist rule the Chinese people on the mainland have lost whatever faith they might have in their rulers. With the partial lifting of the bamboo curtain in the past 2 years they have come to realize that they have a choice.

Less than a 100 miles away, across the Taiwan Strait, free China has demonstrated Dr Sun Yat-sen's three principles of the people for nationalism, democracy and social well-being are vastly superior to the bankrupt communist system. The shining example of Taiwan has emboldened the Chinese on the mainland to challenge their communist masters. The voices calling for learning from Taiwan are growing in volume across the mainland. Even the communists themselves have grudgingly acknowledged the accomplishments of free China by the splendid [word indistinct] of Dr Sun Yat-sen at Tiananmen.

The days are growing near when the seeds of Dr Sun's ideology now being sown on the mainland will begin to bloom. Any foreign power trying to solve or [word indistinct] would be doing the Chinese and its own interests a disservice.

#### BRIEFS

AMBASSADOR TO GUATEMALA--Taipei, 24 Jul (CNA)--Loh I-cheng was sworn in Friday morning as the new Chinese ambassador to Guatemala in a ceremony presided over by President Chiang Ching-kuo at the presidential office in Taipei. Loh, 59, succeeds Ambassador Hsueh Jen-yang. He is expected to leave for Guatemala City to assume his new duties within a week. [Text] [Taipei CNA in English 1340 GMT 24 Jul 81 OW]

POPULATION FIGURES--Taipei, 23 Jul (CNA)--Up to the end of May this year, population of Taiwan totaled 17,929,820, including 9,349,760 males and 8,580,060 females, Ministry of the Interior announced. Of the total, population in the Taiwan Province accounted for 14,471,287, population in Taipei city totaled 2,245,215, and Kaohsiung's population was 1,213,318. [Text] [Taipei CNA in English 0249 GMT 23 Jul 81 OW]

PLA COMMANDER'S REVIEW OF NATIONAL EVENTS CONTINUES

## Mao's Three Sons

HK221226 Hong Kong CHENG MING JIH PAO in Chinese 22 Jul 81 p 1

[Article by Yen Kai: "Mao Zedong's Sons and Chang Hsueh-liang [1728 1331 5328]--Part IX of Divisional Commander Luo's Review of National Events With This Correspondent"]

[Text] Mao Zedong's Sons Were Entrusted to the Care of a Catholic Priest

The train entered southern Hunan and would soon reach Shaoguan. I recalled that Divisional Commander Luo had just then mentioned that Mao Zedong and He Zizhen's son Ah Mao was once entrusted to the care of a family in Shaoguan. I could not help changing the subject of our conversation to Mao Zedong's children.

"I hear the whereabouts of a son of Yang Kaihui is still a mystery. Is this so?" I asked.

"Yes and no," Divisional Commander Luo said. "There are two versions of what happened to that son. According to the first version, after Yang Kaihui died a martyr's death, the three children, namely, Mao Anying, Mao Anqing and Mao Anlong, were sent to Shanghai's Datong nursery school. Later, Mao Anlong died of dysentery. Following the disbandment of this nursery school, an underground party organization arranged for Mao Anying and Mao Anqing to take up residence in the house of a Catholic priest."

"A Catholic priest?" I was amazed by what he had just told me. Divisional Commander Luo's stories always seemed to contain unexpected and amazing revelations.

"Yes, it was a Catholic priest of a French Catholic Church. His name was Dong Jianwu and he was Chinese. They stayed in the Catholic priest's house until 1936. In 1936, Dong Jianwu talked with Chang Hsueh-liang and let Mao Anying and Mao Anqing go abroad to engage in advanced studies at Chang Hsueh-liang's expense. According to this version, Mao Anlong just died and so his whereabouts is not a mystery."

"What is the other version?" I hurriedly questioned him.

"According to the other version, Mao Anlong did not die of an illness at the nursery school. The three children stayed in the house of the Catholic priest together. At that time, the underground party organization gave the Catholic priest a sum of money for looking after the three brothers. Later, due to the serious white terror, the underground party organization had no more money to give to help the Catholic priest. Moreover, the Catholic priest was transferred to work in Wuhan. As a result, the three brothers left the house of the Catholic priest."

Divisional Commander Luo said: The three brothers first worked as apprentices in a sesame seed cake shop. However, the shopkeeper's wife was a shrew. They could not bear her shrewishness and fled from this shop to live in a temple which was near the French concession in Shanghai; thus they lived like vagrants. At that time, they found a job selling newspapers from which they barely eked out a living.

## Mao's Three Children Lived Like Vagrants

"How could they lose Mao Anlong?" I asked.

"Things often happened by chance," Divisional Commander Luo sighed with emotion. "Mao Anlong became ill on a certain date. Mao Anying and Mao Anqing left Mao Anlong in the temple and they went out to work. The unexpected thing was that on this date, a liaison man called Little Peng was sent by the underground party organization to look for the three brothers. However, he only found Mao Anlong."



"Little Peng took Mao Anlong away and entrusted this child to the care of the family of a peasant surnamed Liu. Soon afterward, Little Peng was murdered and died a martyr's death. As a result, the whereabouts of Mao Anlong is unknown."

After saying this, Divisional Commander Luo sighed again and again. Apparently, he felt very sorry for Mao Zedong's family tragedy.

"Mao Anying was the best son of the chairman." Divisional Commander Luo said after a pause, "What a pity he died a martyr's death so early."

"What kind of post did Mao Anying hold prior to his being sent to Korea?" I asked.

#### A Wedding Present

"He was a secretary of a central organization in 1949."

"Was he married at that time?"

"He got married in October 1947. Soon after his marriage, he went to Korea."

Then, Divisional Commander Luo gave a detailed description of Mao Anying's wedding ceremony. He said: The wedding ceremony was held in Fengzeyuan, Zhongnanhai. There were not many seats arranged at the wedding banquet. Mao Zedong personally wrote invitations to some senior statesmen including Xie Juezai. It was not a sumptuous feast. Most dishes at the banquet were Hunan-style cured meat and fish. Moreover, these dishes had been prepared by Mao Anying. During the wedding ceremony, Mao Zedong repeatedly praised Mao Anying, saying: "Anying has not troubled me with his wedding. Everything concerning his wedding was prepared by Anying himself." The bridal chamber was extremely simple. On the wooden bed in the bridal chamber, there were only two quilts. One of the quilts was borrowed from an organization and the other quilt was supplied by the bride, Liu Songlin. Mao Zedong's present for his son's wedding was an overcoat. Mao told the bridegroom and the bride: "I have nothing else to give you but this overcoat. During the daytime, Anying can wear this overcoat; you can put it on top of your quilts at night so that you both can share it."

#### Mao Zedong's Poem to His Father

Divisional Commander Luo was very keen on talking about Mao Zedong. He also told me about a poem written by Mao Zedong who presented it to his father. Mao wrote this poem when he was leaving home to further his studies. This poem was an adaptation of a poem by a Japanese called Takamori Saiko:

Your son is determined to leave his home village,

And he will not return until he makes a scholarly name for himself.

There is no need to be buried in one's native land,

As there are green hills throughout one's life.

In explaining the background of this poem, Divisional Commander Luo said: "Chairman Mao's father showed him the way to get rich by being in business. However, Chairman Mao did not want to follow this path. This poem shows that he was finally breaking with the road of the exploiting class and that he was determined to embark on the rough and bumpy road to save the nation and the people."

I cannot express full agreement with Divisional Commander Luo's explanation. Is it not true that the poem says: "And he will not return until he makes a scholarly name for himself?" What is the difference between this kind of determination shown in the poem and the pursuit of fame and position?

## Criticism of Bai Hua

HK231240 Hong Kong CHENG MING JIH PAO in Chinese 23 Jul 81 p 1

[Article by Yen Kai: "Subjects Ranging From Teng Li-chun to the All-Army Criticism of Bai Hua—Part X of Divisional Commander Luo's Review of National Affairs With This Correspondent"]

[Text] Booklets on Criticizing Bai Hua Have Been Distributed to All PLA Companies

Lying on his berth, Divisional Commander Luo suddenly turned on a switch and the voice of the very popular soprano Li Guyi blared out from the loudspeaker in the railway carriage. Luo asked me:

"Do you think Li Guyi's songs are similar to those of Hong Kong's Teng Li-chun?"

"Fairly similar."

"The people in Hong Kong like Teng Li-chun's songs; and some people in China also like them. They say that Li Guyi is China's Teng Li-chun and they are playing her songs everywhere. However, I can never get used to them. How can we willfully allow these kinds of soft bourgeois songs to get so popular? They are absolutely forbidden in the PLA units."

From Teng Li-chun and Li Guyi, he then went on to talk about Bai Hua. Divisional Commander Luo told me that booklets on criticizing Bai Hua have been distributed to all PLA companies and each squad in fact has a copy. All the commanders and fighters throughout the Army must criticize Bai Hua. It was said that the booklet contained an article by an army contributing commentator in JIEFANGJUN BAO criticizing Bai Hua as well as Bai Hua's film script "Bitter Love." At this point, Divisional Commander Luo seemed to be very excited. He sat up from his soft sleeping berth and said:

"'Bitter Love' opposes the whole party and army and likens Chairman Mao to the figure of a deity blackened by smoke. It is indeed venomous! Even though we advocate freedom in literature and art, it cannot be carried out in such an unruly manner. The army should be ready to fight in a war; and we can only rely on Mao Zedong Thought and political work. If we allow the songs of Teng Li-chun and Li Guyi and other literature and art like 'Bitter Love' to spread in the Army, then how can we maintain our combat strength..."

Accompanied by the "Teng Li-chun-style" voice of Li Guyi, Divisional Commander Luo continued an eloquent statement of his views. I could not help thinking secretly: What a wonderful duet of "leftism" and "rightism" it is!

Have You Seen the Prostitutes in Guangzhou?

The excited Divisional Commander Luo was getting a bit tired and he started smoking.

After a short pause, he suddenly asked me in a mysterious way:

"Have you met a prostitute?"

I was a bit puzzled and asked:

"You mean in Hong Kong? or in mainland China?"

"In Guangzhou," he said.

The aim of my trip was to cover a story in Wuhan, so I stayed only for a short while in Guangzhou. I really did not know that there were such new things as prostitutes in Guangzhou. After asking me whether or not prostitution was legal in Hong Kong, Divisional Commander Luo went on talking with fervor and assurance:

"Now that the state has lifted the ban on foreign trade, many corporations in China have also delegated decisionmaking power. It is true that many business transactions have been conducted and the state has earned large amounts of foreign exchange. However, many new problems have also arisen. First, many cadres have stretched out their hands to foreign businessmen asking for television sets and other articles; and second, to successfully conclude business transactions, some people have tried to curry favor with foreign businessmen and dished out some prostitutes."

"Dished out some prostitutes?" I could not help asking. "Are those prostitutes actually individual unlicensed prostitutes or is it that some people have specially dished out prostitutes to do business?"

"There were of course some underground prostitutes. However, they were only individual ones. They were some young people who had gone down to settle in the rural areas but returned to the city. Now that we have adopted an open-door policy, and as more business transactions can be concluded with the use of women, some people have started controlling behind the scenes and dishing out a large number of prostitutes. They send middle-aged women out to canvass single tourists everywhere and take them "home." Beautiful women then appear to claim ties of blood or friendship with the tourists. Once the front doors are closed, even the public security departments find them a headache to investigate."

On hearing what divisional Commander Luo said, I could not help recalling an incident at the Guangzhou railway station.

#### Unemployment, Peasants

HK241438 Hong Kong CHENG MING JIH PAO in Chinese 24 Jul 81 p 1

[Article by Yen Kai: "Unemployment, Prostitution, Murderers, and Dividing Up the Farmland Among Households--Part XI and Conclusion of Divisional Commander Luo's Review of National Events With This Correspondent"]

[Text] The "Old Whores" in Guangzhou Railway Station

On the day I arrived in Guangzhou, I saw several middle-aged women in the concourse of the railway station. They looked dubious, skittish and dissipated. One of them even approached the male passenger next to me, and they left together after exchanging some whispered words.

I gave an account of this incident to Divisional Commander Luo. In a low voice, he said: "They were the 'old whores.' Many old Overseas Chinese have been deceived and spent all their traveling money on them."

Showing some discomfort, Divisional Commander Luo continued: "Deng Xiaoping's policy of turning chaos into order has given rise to many new things, including both good and bad things. They will be verified by history eventually!"

"What do you think are the bad things?" I asked.

"For instance," without any hesitation, Divisional Commander Luo replied: "There are now tens of millions of youths (?) [as published] throughout the country awaiting assignment of jobs, or rather unemployed youths as you call them in Hong Kong. In order to reassure the people, it was said several years ago that Chairman Mao's policy of sending youths to do manual labor in the countryside was wrong and that the youths would be allowed to remain in the cities. But what is the consequence of this? There are now more prostitutes, more rapes and robberies. A large part of them have been committed by unemployed youths. Many youths now dare to kill people, steal guns and even rob state banks!"



"I heard recently, there is a proposal to not execute so many people by firing squad. You will see more problems if murderers and bank robbers are not sentenced to death for their crimes. Then, the people will have the guts to do something about it."

I thought that the situation was not actually as Divisional Commander Luo had described since murderers and other criminals have been severely sentenced in many places. However, in order to let him keep on grumbling, I did not challenge him.

#### Who Created the Unemployment Problem

Lighting a cigarette and expressing indignation, Divisional Commander Luo said: "In the preceding period, the authorities stressed that the party committees of all units should not interfere in the work of the public security departments. Now when the number of crimes is on the increase and the party committees are not doing anything, there is a demand for the party committees of all units to help rectify social order since the public security personnel cannot handle such a heavy work load!"

"Is the CCP Central Committee doing anything now to solve the problems of unemployment and social order?" I asked.

"The higher levels of course understand the seriousness of the unemployment problem. However, it is not easy to deal with it since the situation has been aggravated."

I really wanted to ask Divisional Commander Luo whether the present unemployment problem is a result of Deng Xiaoping's policy of sending youths back to urban areas and the open-door policy or is a result of the 10-year catastrophe under the guidance of the ultra-leftist line. However, I did not say anything in order to avoid a tit for tat argument and just listened to his grumblings.

Shaking his head and sighing, Divisional Commander Luo said: "The young people are really helpless. They kill people over minor things, go to "discos" and even dance nude, I have heard. The social mood is degenerating."

#### You'd Better Wait and See

Divisional Commander Luo and I kept on talking until very late at night. I was awakened early the next morning by the thunder and rain outside the carriage. I lifted the blinds and saw the flooded paddy ricefields. I could not help talking to myself:

"It seems Guangdong will reap a poor early rice harvest."

"Don't you know that the farmland has now been divided among households?" I did not realize that Divisional Commander Luo was awake. Lying on his berth with his eyes closed, he said: "There is nobody in charge now in the production teams since the brigade captains and party branch secretaries are farming their own fields and everyone is engaged in his own work."

"Is this not a good sign? I heard that the peasants are living better now and most of them are earning enough money to build new houses!"

"Nevertheless, the system of dividing up farmland among the households is not good. Was not the old society like this? It will lead to polarization, a wide gap between the rich and the poor and fights among the peasants for water resources and fertile areas. There will be no party leadership since everyone will be engaged solely in farming."

It was raining very hard and I saw only the ripe ears of rice floating on the water in the paddy ricefields. Divisional Commander Luo sat up, pointing at the fields outside the window, he said:

"Individual economy has no strength. How can individual households fight against natural calamities alone? You'd better wait and see, a lot of problems are bound to occur in the future!"

The train pulled into Guangzhou station. Divisional Commander Luo began packing his luggage. He had an old bag shaped like a loaf of bread and a worn cloth knapsack. There was a green peach sticking out of the knapsack.

Goodbye, Divisional Commander Luo! Divisional Commander Luo disappeared in the crowd when we got down onto the platform. However, the words that he spoke with a strong Shandong accent, "you'd better wait and see," still echoed in my ears.

#### ZHAO ZIYANG ON FIXING FARM OUTPUT QUOTAS

HK260644 Hong Kong CHENG MING JIH PAO in Chinese 26 Jul 81 p 1

[Report: "Zhao Ziyang Hands Out a Tranquilizer"]

[Text] At a report meeting, Du Runsheng, vice chairman of the State Agricultural Commission, said that he had recently gone with Premier Zhao Ziyang to inspect Lankao County, Henan Province. When people saw Premier Zhao Ziyang, they all gathered round, asking: How many more years will we be allowed to work under the system of fixing of farm output quotas for each household? We will have to undergo collectivization in the future! Noticing their ideological misgivings, Premier Zhao answered: You can undergo collectivization whenever you want and you can also have the fixing of farm output quotas for each household whenever you want. On hearing this, the peasants were very pleased. With the "red head" document (referring to No 75 document) and Premier Zhao's words, the peasants were given a tranquilizer and felt assured that they could continue the practice of fixing of farm output quotas for each household.

Du Runsheng said that four times China had tried to implement the system of fixing farm output quotas for each household, but the first three waves were reversed. The fourth wave started after the third plenary session, when the peasants began it on their own initiative. If we handle it as we did previously, a fifth wave will occur. If we stop the fifth one, a sixth will occur. This will not be changed by man's will, as an economic law is governing it. This law is: The relations of production must be commensurate with the nature of the productive forces. This is similar to wearing shoes. When your shoes are too small, your feet will hurt and you must change to a bigger pair. This is called changing the relations of production and the emancipation of productive forces. However, if your feet are small and you are wearing a pair of big shoes, you will not feel comfortable either. You will have to change to a pair of smaller shoes. When you have the right size, you feel comfortable.

**END OF  
FICHE  
DATE FILMED**

7 / 28 / 81

---

BR



